PERSONALITY IN BUSINESS

HOW TO GIVE PERSONALITY TO BUSINESS—PERSONALITIES THAT HAVE WON SUCCESS



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Illustrated with Plates and Forms

PART I—HOW TO GIVE PERSONALITY TO BUSINESS

The "MAN" Makes the Business

BY KEEPING the importance of the *man* in mind, I find that we can promote self-supervision and cooperation, which I consider the most important assets of any organization.

The *man* is more important to me than the title. Nearly every captain of American industry was "just a man" in some organization a few years ago, and carries his title and position today because he proved to be the right kind of a man.

The first principle of our policy is to stand back of the man and, by instruction, encouragement and aid, help him to develop himself. When this is done, and men are needed to take positions which carry the titles and greater responsibility, it is not necessary to go outside of the organization to find them.

Every man in any organization should be taught that his most important duty to himself and his company is to cooperate with his fellow workers. He should be taught that, regardless of his ability, his efforts must mesh without friction in with the other gears of the business machine of which he is a part, if he is to be of value to the organization.

Thos J Watson



THOMAS J. WATSON

President of the Computing-Tabulating-Recording Company

I

WHAT PERSONALITY MEANS IN BUSINESS

By Edward Hines,
President of Edward Hines Lumber Company

THE need for personality in business and the success that it brings cannot be disputed.

Contrast the successful business of today with the one of a few years ago. No matter what the article of commerce is, service is now as much a part of the transaction as the intrinsic value of the article itself. And that service must be given in a spirit of cheerful willingness and desire to please and satisfy. Formerly somewhat haphazard and uncertain methods were considered sufficient, even in many of our larger commercial institutions. Courtesy and the technique of smoothing the ruffled feelings of a customer were not so much in evidence as they are now. Even the "thank you, sir" of the newsboy was seldom heard a few years ago.

The little personal attentions that are now so frequently displayed in most of our large stores show a discriminating observance of the desires of the customer. The service that is a part of every transaction is a welcome contrast to the brusque and oftentimes rude and uncouth manner of salesmen and saleswomen of only a short time back.

On many occasions in recent years I have had excellent opportunity for observing the improved spirit and morale

that characterizes our business personality. Young men are being taught the value of civility and courtesy and older men are absorbing this spirit as well. Practically every large institution has responded to the urgent need for better methods and a loftier personality in business.

I recall the story of the woman who visited one of the larger department stores in New York one rainy afternoon in search of a particular pattern of linen dress goods. Several clerks had either carelessly or indifferently explained to her that it was impossible to get the particular goods she asked for, when one young man stepped up and took charge of the situation. He found out what the woman wanted, and learned from the linen buyer that the goods could be obtained, but must be made up to order.

The customer thanked the obliging clerk, gave the order, and went out. She had not appeared to be a person who possessed more than an ordinary station in life, as she was dressed plainly. The enterprising and polite clerk, however, was later given a position of responsibility—and rose to be a man of distinction—by the woman's husband. And you may be sure that the store in which this incident took place did not lose by having such a clerk on its payroll to help reflect its business personality.

Let us consider some other incidents.

A young man just getting a start in business was attracted by the advertising of a large bank. Small depositors were invited, the advertisements said, and great stress was laid upon the "homey" atmosphere in the bank. .So the young man took his money, some $1,450, and placed it on deposit with the institution.

He was treated all right at the time he took out his pass book but could not fail to notice the almost entire

absence of everything the "homey" advertisements had promised.

A few weeks later he chanced to be passing and saw a number of small savings banks in the window. He went in and asked for one.

"We're awfully busy right now," said the teller. "Can't you come back for it in a week or two?"

This young man was a level-headed chap and he did not fly up in a passion. But this bank, of course, eventually lost his deposit. It possessed personality all right, but the agreeable side seems to have been all in the advertising.

Here is an incident which indicates a different sort of business personality:

An elderly woman brought a bolt of expensive silk into a large Chicago department store and asked that the purchase price be refunded. She had no purchase slip. The silk went to the silk buyer, while the woman waited, and the report came back that the silk had not been purchased there. But the woman insisted it had been. She had not bought it but her daughter had. And she wanted the money back at once.

The course taken by the adjustment manager and the results it brought. Does the purely "commercial spirit" exist largely in modern business

The situation seemed deadlocked and the manager of the adjusting department was called. He listened to the details and asked for a few minutes in which to make another investigation.

Within 15 minutes the woman was informed that the silk had been purchased at another store.

"I have telephoned there, madam," the adjustment manager said. "And your money will be refunded if

you wish. I am sorry it took us so long to straighten out the tangle."

Fifteen, even ten years ago this mistaken woman would have been regarded with suspicion. She might even have been thought a shoplifter attempting to sell back stolen property.

Which is the better method, the more advantageous business personality?

The painstaking preparation demanded by modern business contributes in no small way to develop personality and ripen it to the fulness of maturity and the "commercial spirit" is no longer a reality, if, indeed, it ever was. That expression, I think, was coined by theorists, who, perhaps, had but a surface knowledge of business problems. There are exceptions, to be sure, but the average man of the modern business world is unselfishly consecrated to his work, just as all the great leaders of the professional, the art, the scientific, and the literary world must, of necessity, be devoted to theirs. Were this not true the world would not progress, for the largest part of its energy is devoted to tasks which by some are unkindly designated as the mere following of a business occupation, but which can be made, and, in a majority of cases are made, a calling that is controlled by the highest sentiments.

There has come, it seems to me, to be a greater and constantly growing need for a more buoyant, cheerful attitude in business. The frown has given way to the smile, and the repelling mood of the "grouch" softened by the welcome humor of the optimists. While industry and a desire to accomplish and achieve something beyond the ordinary daily routine are, of course, essential to a well-rounded personality, persistently holding joyous thoughts when sadness threatens, dispelling blackness

and gloom of failure, together with a liberal sprinkling of enthusiasm in the work, will go far toward elevating the spirit and morale of the person, and, therefore, the business.

The stimulating and inspiring influence of a strong and vigorous personality of lofty ideals and dominating motives for good can only be measured by the happiness and cheer that follows in its wake. Coleridge said: "Personality is individuality existing in itself, but with a nature as a ground." Charles Kingsley wrote: "The men whom I have seen succeed best in life have always been cheerful and hopeful men, who went about their business with a smile on their faces, and took the changes and chances of this mortal life like men, facing rough and smooth alike as it came."

SOME *of the steps taken in the Hines business that help to give it a definite personality. Hines' opinion of the effect of personality on business success or failure.*

The cheerful man, the man who goes about every task with a smile on his face, fearless of whatever consequences he may encounter, and who possesses a love for his work, and a desire to accomplish worth while work, is a real personality and is one who will achieve success for him self and help those with whom he comes in contact. With an equal mentality, the man who is courteous and radiates good feeling, will so far outshine the gloomy, despondent, and pessimistic thinker, that any effort to force a comparison is but a waste of time. And as much holds true of business houses, as far as you can make the comparison apply.

In our business do we live up to the sentiments which I have expressed?

I think we do. At first glance one might size up the lumber business as one difficult to instill with a living, glowing personality. This is far from being the case. Our smallest customer gets the same service from us as the larger ones. It may take just about as much work to fill an order for three timbers as 30, but the three timbers go forward and the service is gladly given.

We strive to keep closely enough in touch with market conditions to give our customers every help possible. For instance, I overheard our salesmanager warning a customer over the long distance telephone the other day to be sure and figure in an added freight rate charged by the railroads on timber of more than a certain length. The customer had not figured this in his quotation and would have lost money had we not warned him.

All in the ordinary run of the day's work, you say. Yes it is, but the day's work goes to make up a total of many days of business and the little steps gradually take the form of a definite personality and that's what the customer remembers whether he thinks of the Edward Hines Lumber Company or Baley's Cash Market—and the impression your business makes on him eventually is a decided factor in its success or failure.



OUR *policy, summed up, is to knit close bonds of pleasant faith and good will between our customers and the management. We have found that it is possible to make something more of our customers than mere quarter or dime spenders.*

JOHN R. THOMPSON,
President of the John R. Thompson Company

II

HOW I USED CONFIDENCE TO GIVE MY BUSINESS A PERSONALITY

By H. E. Locke,
President of H. E. Locke & Company, Incorporated

STARTING from a salesman's berth, with a capital of $16.25, I have built up a comfortable business which will sell gross in 1917 well on to two million dollars. In that time neither an employee nor myself has gone home on Saturday night without full pay.

These facts are offered simply to indicate that I have a comfortable business and that I have found it possible to build it up comfortably. Not that I have made any brilliant success; but my philosophy of business has at least kept me facing in the right direction. I call it "Common Sense in Management," and since it has proved a safe and comfortable philosophy I pass on my experience for what it may be worth to other business men.

When I started, my sister came with me and has handled the accounting end of my business, so that I have almost entirely been relieved of that. I had been a salesman handling the item on which my business is built.

When I started as a full-fledged sales agent, the mills were glad to put my brand instead of theirs on the goods. They thought I would not amount to anything. So I own all the brands and labels, and tell the mills how they

shall make my thread. Those labels are now worth money, for I have built up a reputation behind them that merits and holds confidence.

We have always been exceedingly careful about the quality of our goods. They are made exactly in accordance with our instructions.

At the main store in Boston I have one man all of whose spare time goes to opening cases and testing the quality of the goods furnished by the mills. From 1900 on, my card index of tests consistently shows the breaking point, and other factors of quality, for each mill's product.

If the quality drops, I do not kick. I never kick. I never complain. I write and ask the mill why they are not maintaining the quality of their goods. I put the burden entirely on them. I tell them that it is far better for them that I should test the goods and find a flaw in advance of shipment, rather than to let some customer find it and thus strike a blow at their distribution.

In my position I have a number of advantages, and this is one of them: I do not need to fool myself nor overlook poor quality in my goods because it will cost me something to make conditions right. I can hold the goods rigidly to my customer's standards.

In the same way, when a complaint comes from a customer, I try, as I say, to "implicate the other man." I write to him something like this:

> We are very sorry that anything should have gone wrong with our recent shipment to you. Please send it back at once, at our expense, and we will immediately make a shipment that will give you entire satisfaction.
>
> You know how it is. In your plant, just as in mine, something goes wrong once in a while, in spite of the best you can do. Thread is like everything else. Thread is not made by angels. And so we hold ourselves ready at any time to correct a mistake if it gets by us.

Some firms will write a letter defending themselves

and shifting every possible bit of blame. Such a letter merely antagonizes the man who receives it. It usually brings back a hot reply. But if you will accept the blame and then remind the other man that he, too, has had his experiences with mistakes that drew the fire of his trade, you are on pretty safe ground.

So much for production and quality. I find that the same common-sense views fit when it comes to gathering a force of men, building up sales and financing.

In the early years of the business, all the selling was up to me. I built up a territory and then hired a salesman to occupy it; built up another, and hired another salesman; built another, and handed it over.

Out of the twelve territories that I have, I built up eight. So I have broken trail through most of the big drifts. I know practically all the important trade and can talk to the local salesman about his customers in a personal way. When a territory became important enough, I opened a store and put the local salesman in charge, letting him work out from the store and giving him an inside man.

WHAT *Locke's definition of selling is, and what he says a salesman must do to win success. Methods that bring data to attention at the right time.*

I have talked about sales with my men over and over. I tell them that selling is a mental contest. If the buyer's mind predominates, the salesman will at best get an unsatisfactory contract. The salesman must get the buyer's confidence.

The day of friendship in business is not over; there never was so much friendship in business as there is to-day. But it is the friendship, not of having a good time together, but of confidence.

Go into a factory and find a manager who is busy—he scarcely knows what to turn his hand to next, there are so many things to do. Suppose you yourself are that manager—if you can find a salesman whose judgment, as well as whose honesty, you can trust, nine times out of ten you will give him the business. Isn't it true?

I am around among my salesmen a good deal, and I carry with me a sort of supplement to the deep drawer file at the office. One black grip is given over to this file.

Whenever an idea comes up at the office which I want to talk over with my man at Cincinnati, Milwaukee or St. Louis, I dictate it and my stenographer puts it on the sheet which is dated for my next stop at that branch. When I pack up, these folders for the various branches are put into the grip; that for the first branch at the front, and so on according to my route.

Each folder contains not only the new subjects to be discussed, but all the points that have been discussed since 1913. Memos that are more than four years old I file away. Matters that have been closed, I erase with an old-fashioned "E" in red pencil. If, however, the salesman forgets, I turn back to that sheet and say: "Why, Harry, you and I talked that over back in 1913."

As I leave for the next branch, I file the completed folder at the back and the next one automatically comes up. Then I have other folders for special uses: a general folder of things to be discussed with every branch, a folder of business that is completed and a folder of business to be attended to when I get back to the house.

The second of these folders I trust to my stenographer as I unpack and she files all the papers in their proper places. The third folder is part of my day's work at the home office until I get it cleaned up.

In our line, colors and styles of finish change so frequently that we have a good deal of dead stock to contend with. At the home office a card inventory tells us exactly what stock is on hand at all branches. By shipping between agencies we keep this stock down to a minimum. This is one of the methods that enable me to get about nine turnovers a year. I have amazed bankers and business men with that figure. I have always kept nimble goods—it is a first principle of success.

HOW *the sales convention is used as a clearing house for difficulties and disagreements. Rules that are successfully followed in the hiring of men.*

Once a year we have a sales convention. At that time the man who has sold the most of this slow stock gets a hundred-dollar check. At the sales convention I also list the men and their sales. Each man knows how high up the list he stands. Then, too, I tell them that if they go back on the beat with any grouches in their systems—if after that sales convention they come at me with any complaint still unsettled, I will "beat them up."

I say it in a joking way, but they know I mean business.

So we have a grand clearing of old grouches and a new slate each year. Nothing hurts productiveness more than carrying a grouch.

My accounting system relieves me of all worry about salesmen's expenses. I expect the boys to have expenses of a certain percentage of their sales at the end of the month and year.

If a salesman is running high on his expenses and thinks he is not taking it out of his salary, he is mistaken. My totals make perfectly evident what is happening. The form also tells me just how I stand for profit on each salesman's work.

I have no serious employment or manhandling "problems," for everybody in my concern is working for himself—working with me because we all think this is the right place to earn a livelihood.

I tell the boys that we all must make a living, so let's do it the nicest way we know, be good fellows together, and enjoy everybody we work with. I am not the boss, I tell them, but merely the man with the most experience, who has to take the responsibility for the finances and the decisions that come into dispute. Whether or not as a result of what I have said, the people I have seem honestly to feel that they are with me because it is the best possible place for them to make their living.

I take this position with a man before I hire him and keep it as long as he is with me.

I have been considering the idea of hiring no one but college men, but it seems unfair. I can not bring myself to do it. But I go at a man in this way: First I ask him whether he wants a "job" or a "position," then I find out if he has analyzed himself and knows what he is going to make of himself.

If he doesn't know whether he wants a trade, a business or a profession, I do not know and do not want him. Another rule that I have gradually come to may cause a smile in some business circles: I won't hire a man who hasn't a pastor. I don't care what religion he has, but I want him to have some. A man without idealism is like metal without temper.

Then I make him set his own price. "How much salary do you want?" I asked a young fellow the other day. He gave a gasp and then laughed. "Well, I hardly expected to be asked that," he replied; "I supposed you would tell me what you would start me at. Let me think a little."

"Think as long as you want to," I said. Finally he mentioned what he thought he was worth.

"Fine," I said. "That is a little more than the average, and I like to see a man with a good opinion of himself. We'll make it that. But to earn that salary at the start you will have to be about the busiest young fellow in town. I am going to be watching you to see how much better than the average you do your work. I like to watch and help a man who believes in himself."

MORE *about the Locke methods in hiring. How "good fellowship in business" works out in actual operation. A simple way to keep up with the routine.*

I give him exactly what he asks for, and I buy the best that there is in him. There is sound psychology in that. Suppose I crowded him down to the market price or a little below—he would never be satisfied.

But I take him at his word and he can feel my eye upon him, looking for distinguished work—work that will merit promotion. And the difference between the market price and his own price is perhaps little more than three or five dollars a week—what is three dollars a week!

In a few instances recently, I have gone even further. I get a man to state his price. Then if it's one that I consider fair, I tell him I'll pay him a dollar a week more than he asks! You should see how the boys I have hired that way work!

My men have learned to have confidence in what I say. Not one fourth of them ever asked me for an advance. I tell them I don't want any one who isn't worth an advance. I never make a raise for a stated time, but wait until a man is worth more. I tell the new man that I am not hiring hands or feet—he will need them. I am

hiring what he keeps "under his hair." When the business warrants it, the advances come.

Good fellowship is a fact in our business. My office is simply the clearing house for business ideas. The office boy feels just as much at home there as I do.

I do not find that my people take advantage of me, though three fourths of them call me "H. E." When any of my salesmen are in town, I never lunch alone. Again, I'm constantly in and out of the office, store, and factory. If I should come upon a group of my men who separated in a guilty way at my approach, and broke up their conversation, I'd probably fire them. But they won't. They'll call: "Come here, H. E., we've got a good story."

It is my creed to treat every one of my men just as I would want to be treated and to show the girls in my employ the same courtesy I want shown to my wife and daughter. They are just as good as I am. We are all working for a living.

Keeping up the routine of our business is the simplest sort of a matter. If anything goes wrong I know it within half an hour; know it without puzzling it out, simply because I know the business. It has become subconscious with me. I watch my people none of the time—and all the time.

Our home office had been moved into a new storeroom that had four times the floor space of the old shop. Within a few days after moving, I saw that the shipping room was not working right and common sense suggested the remedy. Men were continually crossing their own trails; they finished one thing and had to go ask the shipping clerk what to do next. So I called the shipping clerk to the office.

"Frank," I said, "We haven't got the new shipping

room working right yet. That system may have been all right in the old place, but it isn't right here. See what you can do with it.

"Just take your cue from the office. We have one girl, for instance, who handles no papers except the bills—she practically lives with the bills. Another handles the orders, and so on.

"Several of your men perhaps have been laying out orders; you know who has been doing the best work—who never has to go back to the shelves to change goods, who never sends hard finish for soft or black for white. Let that man do nothing but lay out orders. You know the man who is best at packing. Have him do nothing but pack as long as there is packing to be done. Work out this plan all the way through."

RESULTS *that the Locke policy secures with competitors, and also in financing. A credit plan which has lost less than $2,000 in more than eight years.*

I have found that these same common-sense ideas which have worked well in our selling, hiring and routine, also win the esteem of competitors. There are courtesies and evidences of confidence which this firm receives from competitors that are not often exchanged, and that some of my competitors do not share.

The same plan works with the bank, too. My first mill gave me a credit of two hundred dollars and felt it was taking grave risks.

I accepted it and offered my trade one per cent extra to pay on receipt of goods. Thus I built slowly but safely. I still hold to a thirty-day limit on credits. As we say, we are "generous" to our competitors on long accounts. The man who hasn't the capital to sell the sixty-day trade must take his choice. He can be a plunger and

take his chances between a fortune and a ledger full of charges; or he can limit his credits, getting a quick turnover, and gradually build up a reasonable volume of business.

This credit policy has not lost me two thousand dollars in eight years. I will take a flyer on a small bill from anyone, but before we get to larger transactions I will know all about him—through the agencies, his local bank, the people my salesman can talk with, and a credit information bureau which "clears" the credit experiences manufacturers and sales agents have had with various firms.

If the first purchase is a large one, as in the case of a man who ordered recently from one of the seaboard states, I write to him that his directions are not quite plain enough. I ask him for certain additional information, and at the bottom of the letter, suggest that inasmuch as we have not had the pleasure of meeting him personally, he let us know what banks and other houses he has been doing business with. Then I write to all these references at once.

Never once during the first eight years did I go to the bank to borrow. I knew there was little use. When I did go, the bank looked up my account and told me that my balance did not warrant loans. I told them that if I had money of my own I should use it—and prefer using it to borrowing. I asked them to investigate my business, my methods, my standing. They did—and gave me a good rating.

It's a joke at the bank that I make them tell me what we can get on every statement we make to them. Then we never borrow more than two thirds of the credit they agree to extend. That leaves us one third in reserve. Then, too, we never allow large notes to come due. I

always have some money coming in and I split every large debt into small notes, falling due every two or three weeks.

These rules may cause me to pay a little more interest at times, but they leave me comfortable, so that I can put my heart into my work with the trade.

Plain, painstaking methods such as these have not brought me any extraordinary success, but I am not so much interested in being "rich" as in building up a permanent business. When I incorporated I took in seven of the men who had been with me the longest. Each man received a liberal amount of stock, and it is being paid for out of the earnings of the company. The results have been remarkable. These seven men feel that their years with the company have not been wasted; and the others in the organization have something worth while to which they can look forward.

These are my methods. They have paid me, both in money and in satisfaction. I have an organization it is a pleasure to earn a living with—an organization that will run itself for three months if I care to go away for that length of time.



WE ARE *beginning to realize the tremendous power of cooperation—cooperation, that is, among merchants and manufacturers themselves, "team-play" among employers and employed, a good understanding between sound politics and sound business, and above all, frank and mutually helpful relations between those who have goods to sell and the great public that wants to buy.*

JAMES P. MUNROE,
President and Treasurer of the Munroe Felt and Paper Company

III

THE GRIP ON THE DAY'S WORK

By Samuel Miles Hastings,
President of the Computing Scale Company of America

THERE is nothing complex or magical about my way of doing business. On the contrary, I feel that I owe what success I have achieved to following methods which are logical, simple, and direct. Businesses naturally reflect the personalities that go to make them up and so every man owes it to his business to make his personality both pleasing and effective.

Complexities are frequently the danger signs of inefficiency. They beget a world of useless labor and unnecessary strain. They can be avoided very largely by systematic forethought and the systematization of effort. A little deliberate thinking in the beginning will often enable the thinker to level a mountain of worry later on.

Genius is unnecessary to do this. The only requirements are determination and the firm application of common sense. I know that many businesses are operated inefficiently because their managers have made the fundamental error of going off half-cocked. But the mere fact that they have done so does not constitute a valid reason why they should keep on doing so. If the recital of my methods should lead to less drudgery and more play for some overburdened reader, I shall feel abundantly repaid.

FIRST: I put high importance upon the duty of

keeping myself physically fit. I believe that I am correct in considering my physique as an integral and important part of my business equipment through which I must perform my work as definitely and surely as with the aid of a chair, desk and filing cases. I seldom permit myself to entertain the excuse that "I am too busy to take exercise." I take it anyway, and the renewed energy it gives me fully justifies the wisdom of my course.

To keep my body in trim, I take as much exercise as is reasonably possible in the open air. When the weather is inclement, I go through systematic indoor exercises in company with a professional physical culturist. I do not consider this kind of exercise in any sense a fad; it seems to me as logical a feature of a man's personal grooming as going to his barber or getting his shoes shined. It is part of a business man's duty to keep his physical machine brightened up, well lubricated, and in constant good repair.

SECOND: I consider it highly essential to maintain a reasonable equilibrium between work and play. The old saw that "All work and no play makes Jack a dull boy" is one of the wisest and truest in the English language. Abstinence from recreation is likely to be ultimate death to the creative faculty—the imagination.

One of the best recommendations of the new theories of efficiency, which are really not so new after all, is that they aim to produce a better and a larger volume of results in fewer hours of application, with lessened strain on the worker and with more time for him to renew his energies, inspire his imagination and broaden his vision by relaxation or play. I have more expectation of the ultimate success of a man who enthusiastically balances his work by golfing, motoring, theater going, and social relaxation, than in the man who mistakenly makes his

work a strain and a burden by turning it into unremitting drudgery fifteen or sixteen hours a day.

I consider it of high importance to approach my work with a buoyant and resilient mind. It is my experience that there is no state, condition nor occupation so adapted to mental recreation, except sleep, as interesting play. Therefore I have set aside my regular time for some kind of play—golf, billiards, the theater, the purely social function—each of which answers to me as a species of play.

THIRD: I cultivate an equable temperament. I believe it highly detrimental to effectiveness to permit oneself to indulge in anxiety, fear, wrath, jealousy, or envy. Useless and injurious emotions pull one aside from the straight path of logical procedure, detract from concentration and are a distinct drain upon one's vitality without compensation for the losses they entail. The equable temperament, if not entirely natural, can be cultivated with the aid of the will.

FOURTH: I exercise extreme care in selecting men. I know from experience that the support and aid of men he can absolutely rely upon is one of the most valuable essentials of the executive who would be master of his work instead of a slave to detail.

FIFTH: In furtherance of a policy of keeping in close touch with every branch and department of the business—a policy which I deem necessary to my constant understanding of its condition and progress—I receive from each of the respective department heads, frequently and regularly, written reports of the work of their respective departments. Further, I meet the department heads regularly in my office for consultation and mutual advice.

SIXTH: I follow a policy of placing employees under

undivided responsibility. Each department head realizes that he alone is chargeable with the proper performance of the work of his department. He knows with certainty that he is expected to do the work himself or to cause it to be done. I do not believe in telling a man to "hang your clothes on a hickory limb, but don't go near the water." I want him to jump in and swim. Pursuance of this policy throughout the business makes it easy properly to place the responsibility for each mistake.

SEVENTH: The power of encouragement is a powerful factor in facilitating accomplishment. There may not be great inspiration in serving a mere legal entity, but there is a world of it in serving a man whom one really likes and respects. It is my endeavor to be a real friend of every employee and to inspire the feeling that effective work will particularly please me, which it emphatically does.

EIGHTH: I am in constant and constitutional opposition to procrastination in any and all of its myriad luring forms. Procrastination is the rock on which more business crafts are wrecked than founder on all other reefs, charted or uncharted.

NINTH: I come to my decisions quickly. Unless I could do so, I would consider my other business qualifications well nigh valueless. More than half the fatal delays of life are caused by vacillating indecision. It is surely true that "procrastination is the thief of time," but it is also as certain that indecision is the soul of procrastination.

TENTH: I believe there is a peculiarly appropriate time for performing each task and that, if done at and in its own time, it can be more expeditiously accomplished than if undertaken at any other. Therefore I endeavor daily to observe the same hours for attending to my

correspondence, the same hours for meeting department heads, the same hours for consideration of larger business policies with my fellow executives in the several companies in which I am interested, and similarly through the respective classifications of my business engagements. Yet I would not have it understood that I am a slave to ironclad routine. I have deviated from my daily rules whenever it seems to me the part of wise discretion to do so.

Customarily, my daily schedule is as follows:

Nine a. m.—Reach my office, open my personal mail and read company mail that has been referred to me. Dictate to my secretary until ten o'clock.

Ten a. m.—Go through departmental reports until eleven-thirty and confer with department heads and officials of the company as occasion may arise.

Eleven-thirty a. m.—Go to the offices of the Illinois Manufacturers' association for conference.

Twelve-thirty—Go to lunch.

Two p. m.—Return to office.

If I find that nothing further of a business nature requires my attention for the day I am ready for the golf course. Sometimes one or more of my business associates go golfing with me. Or, if the day is unfavorable, I put in instead an hour with my physical culture instructor.

My dinner is a leisurely one of simple wholesome foods. I devote attention to civic affairs in the suburban town in which I reside and find the results beneficial and broadening in the sense that it is a good thing to take an interest in business which is not strictly one's own.

My evenings are spent at the theater, listening to good music, or indulging in social recreation. These diversions are excellent mental lubricants and improve the quality

of business thinking. My indulgence in them is regularly followed by eight hours of sleep.

In reviewing my day, I cannot overlook the labor-saving forms used in our business. We do everything on the percentage plan. Every little detail is crystallized and the principle is laid before me in reports so simple and concise that they might almost be written on a shirt cuff.

One of the most valuable forms tells me monthly at a glance exactly how much and what percentage of our total business each branch of our organization has to its credit, and precisely what each contributes to the company's profit. This is such a small form that it is not even printed, but is typewritten each month for each branch.

Disputes over accounts with salesmen could be a serious clog in our business. To insure remedying any misunderstandings before they become complicated or of long standing we send each salesman a weekly statement of his account. If there is a discrepancy it is discovered and adjusted at once without necessity for toilsomely going through months of back business to ascertain the facts.

It is comparatively simple to verify or adjust the transactions of a week, but it is often far from simple to adjust the transactions of a whole year. A business in which statements of account are made only irregularly or rarely is likely to produce mountains of needless worry and expense and perhaps engender an unfortunate spirit of resentment through the resulting delays and misunderstandings.

We feel that the better we know our men personally the better we can cooperate with them. We maintain a regular file of photographs of our salesmen and study

their faces. There's one we call "Happy" because of his smile. He uses that smile of his in making good. It's a valuable asset.

Others are of the earnest, thoughtful, analytical, persistent types and are also making good. Then there are men of the enthusiastic hammer and tongs type who use their own methods successfully in making good. Having their pictures before us it is easier to judge their respective characteristics and to determine the kind of suggestions that should be most helpful to each.

Form 1: "Every little detail is crystallized and the principle is laid before me in reports so simple and concise that you might almost say they could be written on a shirt cuff." These are some of the reports Mr. Hastings regularly receives

Our policy is one of suggestion and encouragement. If a man makes a mistake, it is not our first thought to fire him, but to help him see his error, slap him on the back and give him a boost for a fresh start.

That our men are good material to start with and worthy of such cooperation is generally assured by our methods of selection. They are bonded, and this fact alone assures us of having a report on them from the surety company before they finally are authorized to represent us. The bond is a double recommendation.

I have mentioned some of these things because the better fitted the employees are for their work, the easier it is for the executives in general charge of them. Our men begin a system of self-education when they come with us. In this they are aided by experienced traveling field men who carry suggestions and general introductions to the branches.

Some of the details of administration I have referred to are not my own personal province. I feel, however, that inasmuch as no chain is stronger than its weakest link my own efficiency depends upon the constant maintenance of each and every part of the machine of business.



THE *time is past when a man of doubtful or shifting standards can succeed in any large measure. Character is the decisive force in business today. The individual or the firm that lacks integrity is bound to fail. And commercial standards are higher than they have ever been before.*

E. C. SIMMONS,
Chairman of the Board of the Simmons Hardware Company

IV

HOW I BUILT MY BUSINESS

By John North Willys,
President of the Willys-Overland Company

DID you ever succeed in getting together a fine bunch of orders? And then find that the corporation for whom you were selling was about to go to the wall—leaving you, your orders, and your commissions adrift on the commercial sea?

Such was the exact situation which I faced in the panic year of 1907. I had gathered a splendid lot of orders for automobiles, but the factory which had undertaken to make the automobiles had hoisted the white flag and was about to center its activities in the bankruptcy court. I saw the profits which I had expected—which I had almost reinvested—fading into thin air. But I was never good at fading; I made the instant decision that if the owners of the factory could not pull it out of the mire, I would. That factory was going to fill my orders before it died.

Within the course of a few weeks I found myself a manufacturer; I shall some day tell the whole story of the financing of those few weeks—of the money borrowed and how it was borrowed to hold off creditors, of the shifts and schemes that I had to plan and execute here, there, and everywhere. Most days it was the toss of a penny whether we would go on or quit. But we went on.

I was a manufacturer; I was president, treasurer, general manager—everything from the Lord High Execu-

tioner down. As assets I had a sheaf of orders, health, energy, enthusiasm, and a factory which was notable chiefly for the things that it lacked. On the other side of the sheet I had an uncommonly large list of creditors and the stigma of near failure. I had no personal debts and I did have considerable personal credit. Neither the new firm nor myself had much of any cash.

Can you imagine a finer setting in which to stage experience? The setting was almost too perfect.

The only way that we could do business was to make the interval between the receipt of the raw material or parts and the outgoing of the finished product as short as possible. Our working capital was in the motor cars in process.

THE analytic quality in Willys' personality as reflected in the starting of his business. How he went about getting his factory out of the "order museum" class.

"Working capital" is rather a dignified term for our few dollars, but, whatever it was, it was certainly working. When a finished machine left the factory we needed the cash at once—sometimes we needed the cash long before the machine left, but, being without bank credit, the only way to get cash was on the machines as fast as they went out of our doors.

I had orders in plenty for motor cars—I could always get orders beyond the capacity of the plant; but, working on a sort of penny-in-the-slot basis, we had to get out cars to drop in that slot. Otherwise the orders were only interesting evidences of sales ability.

It was in this situation that I evolved the maxim: "Profits are in goods delivered—not in orders." That maxim is one of the strongest of the points which go to make up the personality of our business. No manufac-

turer ever made a profit on his orders; he might as well go out of business as to have a vast pile of orders without corresponding deliveries.

It is a perfectly simple proposition, but how many manufacturers are really running "order museums" instead of factories? Every day that you delay in the filling of an order, unless your plant is already running to capacity, is making that order less valuable to you; your overhead is running along just as merrily as though the order had been changed into a bill of goods. That overhead is eating into your profits.

The point impressed itself on me when I discovered that we were being held up by the lack of certain malleable iron parts. We had been using malleable iron because it was cheap and durable—in fact, not only the best, but also the cheapest, material that we could find. But there was a delay of from three to four weeks in the receipt of the parts; they came in from one shop and then had to go out to be machined at another—they traveled around quite a bit before they were finally ready for use.

We had anything but a self-contained factory; we were little more than an assembling room. The building of the cars was always being halted; we could have deliveries in time on everything but these iron parts. I had a quantity of ready-money orders to fill—and how we did need that money!

I called my heads together and suggested that we make the parts out of manganese bronze.

"Can you get quick deliveries on manganese bronze?" I asked.

"Yes, but we are going to knock out our profits if we do; the bronze will make just as good an axle—maybe a little better. But you can't put that kind of material into

the cars and still make a profit." This was from the man who kept his eye on the cost sheets.

Manganese bronze was then selling at thirty cents a pound, while the iron came to us at about three or three and one-half cents. The difference in cost was about four dollars an axle.

"I will worry about the profits; you get the parts and get them here as fast as you can. Freight is too slow; use express. We must get out these cars," was my final order—I wanted finished cars.

All the practical men kicked; expressage meant about two and one-half dollars more added to the fancy price of the bronze and they could not see where we were going to "get off." But I saw that the overhead expense while we were waiting for the iron was the important cost to avoid.

The bronze was high and the credit short; in addition, we had an express bill of fifty or sixty dollars a day to meet and that was a big sum to be forced to dig up in ready cash while the expressman stood guard. But we sent out the finished cars!

RESULTS reached during the first and second years of Willys' fight toward success. The policy that was followed successfully in dealings with bankers.

But what was the result? We turned out 465 cars that year and 4,000 cars the following year; these cars pulled us out of the financial woods and left a splendid profit. The previous high record in the six years of business of the factory had been 47 cars! They had been looking only at the near costs—they hesitated to spend money in order to make money.

The motto which I adopted through force of circumstances is simple—it is self-evident when you look at it in

cold type, but many people become so mixed in their immediate costs that they lose sight of the main object of manufacturing—to turn raw material into a cash-bringing commodity. Often when you are debating a small added cost, the overhead will have ticked along past the difference you were discussing. I do not mean to depreciate the importance of warily watching little sums, but I do say that, when delay means money, you must take a broad view of the expenditure of the moment.

These finished cars were our only means of financing the making of more cars. I could not wheedle a penny of credit from the bank; I put my case before the bank officers—I laid all my cards on the table. I told them what I was doing and could do. But talk as I would I could not establish my credit.

The automobile industry in those days was looked upon as a sort of mushroom growth and bankers expected it to pass as the bicycle craze had passed. I knew what was ahead, but others—and especially the others who had the money—would not see my vision. I was leading a day-to day, hand-to-mouth existence as a manufacturer, but only because I knew that I could win out if I kept going.

The bank believed in me—but they did not believe in my line. I never told the officers an untruth about the condition of the business; they knew my orders, my costs and my balance sheet. They were impressed by my frankness and caught by my enthusiasm, but they would not discount my company's notes. They compromised on discounting drafts with a bill of lading attached. They wanted something tangible.

I cannot say that this method of financing is a satisfactory one; it is too wearing on the nerves. Today one cannot realize how great a victory I had won over the bank in causing them to relax even that far.

I made them discount these drafts by always being frank with them and always keeping every promise that I made to them. If I thought that I could not do something they wanted me to do, I did not make the promise and then trust to luck. I told them what I could do, and what I could not do, and when they wanted something beyond me I not only refused, but told them why I refused. That is, we got on a mutual basis of confidence. Which brings me to the second lesson:

Tell only the truth to your banker and make him believe in you. Bluffs to your banker mean ruin. And as a corollary, deal only with a bank whose officers appreciate the truth when they hear it; some bankers regard every statement, oral or written, as untrue until it is proved true.

Let me say in passing that, once I had this banking concession, I played it for all that it was worth. No sooner had a freight agent a bill of lading than the document was on its way to become bank collateral. I made some incredibly fast trips between the railroad station and the banking house.

INSTANCES *that Willys considers typical examples of the soundness of his financing policy. They illustrate how a man's personality enters into his business.*

Dealing frankly with a bank does not mean that you are to let them manage your business. The banking relation is purely one of purchase and sale; it differs from the ordinary sale only in the fact that you are dealing in money instead of goods representing money.

The mere fact that you offer yourself as collateral does not change the situation; if you do not regard yourself as the best collateral in the world, you have not enough confidence in yourself to warrant borrowing money. But

banks do not always realize the true situation—or rather they did not; now banking competition is becoming so keen that few institutions can afford to maintain the old self-sufficient attitude. My bank was a business bank and the officers understood business men, but even then they would shut off on my drafts now and again. Automobile building was just getting out of the fly-by-night stage.

I remember vividly one instance when the bank answered "no" to a draft secured by an extra large consignment of cars. Whenever the consignees were slow in taking up their paper, the bank ran up a danger signal which read: "Drafts for collection only."

I needed the money badly; the buyer was my best-rated customer—he was also a friend. I set forth all these facts to the cashier with considerable eloquence—one can be eloquent when he needs money. But the "no" was final.

While extending myself in the argument to prove that the bank should cash the drafts, I had also been thinking what I would do if I could not get the cash. When I found a discount impossible, I reluctantly put the drafts in "for collection" and tried to look satisfied. But once out of that bank I hit for the first telegraph office and wired my friend to take up the drafts immediately upon presentation. I told him that I needed the money quickly. He took up the drafts at once; the amount was credited to my account and I was able to get by.

I may say that there were several surprised bank officers when that draft was paid so promptly, but I had told them that the drafts would be paid on presentation. What I did over the wire was only a demonstration that I had been right in asking for the discount and they had been wrong in refusing. I had less trouble with my drafts after that incident.

All these things took place not merely through the first

three years of business, but almost during the first three months. I had fully taken over the plant in January of 1908, and I told the bank that on the fifteenth of August the place would be clear of debt.

They did not laugh at me—I was far too earnest for that—but, with the exception of one man, they were somewhat more than skeptical. They were afraid not to believe me, for I had made them sit up; at the same time they were afraid to believe me because the task seemed impossible.

On August fifteenth I had all the debts paid! My inventory showed a net worth of $58,000—and I know that inventory was correct: I took it myself.

The result of that inventory gave me the happiest moment of my life; with my financial head above water, I could see clearly the success that was ahead.

That inventory was the start toward big business. The next year, on this capital of $58,000, we made and sold 4,065 cars and cleared a profit of more than a million dollars.

Otto H. Kahn not long since asked me what I had considered the biggest thing that I had ever done and I answered unhesitatingly, "Make a million dollars on a capital of fifty thousand dollars."

It was a big thing—and it was done by keeping moving.

I have said that I knew nothing of manufacturing when I took over the factory. I had been a selling agent and I had managed my hours on the selling plan; in New York I had been accustomed to reach my office about half-past nine in the morning, because an agent can do little or nothing until a customer has started his day.

It did not occur to me to alter my habits when I went to Indianapolis. I sauntered into my office somewhere between nine and ten, although the factory hands came

on at seven. Several weeks went and it seemed to me that not so much was being done as might be done—that the day did not get under way with the speed that a busy day should attain at the crack of the gong. I did not know what was the matter, but I sensed something wrong.

I first examined myself—when you find things are not going just as they should, it is not a bad idea to look yourself over before you start out after someone else. I found that my late arrival had not a little to do with the delay.

THE *method Willys used to spur up the work and the results it brought. Three vital business truths that contributed to his success.*

My employees had the idea that I was not working hard—employees cannot dissociate effort and office hours; they never think of the hours that one spends through the night, planning and scheming. They have the notion that you also quit business when you quit the office.

They looked on me as something of a drone. I woke up to that.

I made up my mind that I should be the first man down. I had apartments with my sales manager and the night that I made my decision he happened to say:

"Don't let me disturb you tomorrow; I am leaving on an early train and am getting out at six."

"You have nothing on me," I returned. "I am going to get up at six every day after this."

I was at the office before seven the next day, walking around the shop as the men were coming in. And every day thereafter I saw to it that I was in the shop before the men—I went to the shop before I went to the office.

The improvement in work and output was noticeable at once; if I was on the job, the men thought that they also should be on the job. And they were.

And from this I deduced: "Let your men know that you work harder than they do." If you expect to get any real work done—be there yourself.

As a business grows, the head executive is entitled to more leeway, but in a little business the boss should always be around. When the business does grow and detail after detail is delegated, make sure that whoever takes over the duties which you performed, or any part of them, is also always about.

You will never have the right team work unless each man is looking after all of his own job—and all the others know that he is.

Here, then, are my three business truths:

Profits are in goods delivered—not in orders.

Tell the truth to your banker—and make him believe in you.

Let your men know that you work harder than they do.



I SPEND *a considerable part of my day on the selling floors, visiting every department twice each day, and giving each department just as much time as conditions and circumstances allow or demand. For one thing, this gives me a chance to greet hundreds of our customers daily; and not only demonstrate to them that the higher executives of the store are always on guard against any lowering of service standards, but also show our personal interest in them. I talk with many of our customers each day. I rarely have complaints submitted to me, but this direct contact with the customer gives me an unfailing check on any lapses from our service standards.*

M. L. WILKINSON,
President of the Scruggs, Vandervoort and Barney Dry Goods Company of St. Louis

V

HOW PERSONALITY BROADENS BUSINESS VISION

By Frederick W. Upham,
President of the Consumers Company of Chicago

PERSONALITY furnishes the keynote to every business proposition. More than that, it is the cardinal element in every enterprise. Men, not money, are the determining factors in commercial and industrial undertakings.

Of course, you cannot do business without capital; but the brains, the energy, the judgment, with which the capital is used, really settle the success of the undertaking in hand. Money and securities are the ammunition of business. The battle for success cannot be fought without these, but the main question after all is: what is the ability of the men behind the guns?

Let me illustrate this point, upon which I can scarcely place too much emphasis, by citing the case of two banks. They have the same amount of capital and of surplus, the same legal standing, the same limitations, the same field of business, and equal opportunity in a general way.

One of these banks has $50,000,000 deposits, against $25,000,000 for the other. The volume of other business shows the same ratio of difference. What accounts for this marked contrast in the patronage and profits? There is but one answer: the personnel of the two banks. The men at the desks and the counters of the more successful

one are adepts in the art of getting business, doing business and keeping business. They know how to appeal to public favor and confidence in a way that the executives of the other financial institution have failed to master. This is what makes their profits twice as large as those of their competitor and puts double the market value on their shares of capital stock. This line of reasoning applies with equal force to almost every form of enterprise, and to practically every kind of business proposition.

Of course, there are other elements—and important ones, too. These should not be overlooked, but it still remains true that when you have the right perspective on the personnel connected with a business proposition, you have in most cases, the dominating elements necessary to a sound decision.

There are, however, many phases which must be considered, even when you do not go beyond this one factor in the problem before you. First comes the question of the veracity, the moral standing, the personal character of the men connected with the proposition under consideration. Next comes the problem of their individual experience and knowledge in relation to the special enterprise in which you are interested. On a timber proposition, for instance, the chances are good that the judgment of a superannuated sawmill hand will be worth more than that of a ranchman who has made a million-dollar fortune in raising range cattle.

Add to the element of adapted experience that of individual perception. Are the men associated with the proposition gifted with the discrimination to sift the wheat from the chaff? Have they, in the first place, the keenness of perception to see the weak spots of a proposition before committing themselves to it? And also are

they shrewd enough to steer clear of breakers when once embarked in an enterprise? The man who is able successfully to analyze a business proposition must not only have this faculty himself, but he will take good care not to associate himself with others who are lacking in this vital equipment.

SOME *qualifications which are considered vital to personal success. The importance of considering the personal equation entering into any proposition.*

In other words, a man may be thoroughly upright, of the highest personal character, and may have had years of experience in the very lines of the undertaking which he presents, yet, if he has not this ability to discern those more hidden influences which will naturally operate for success or failure of his project, he is not a safe man as an associate in the enterprise which he himself is putting forward. He lacks the faculty, which, for the lack of a better name, may be called business imagination—the ability mentally to project himself into the future and to call before his vision the more subtle and illusive influences which will vitally affect the success of the undertaking.

Again, the age of the active man connected with any business project should always be taken into consideration. The familiar maxim of "old men for counsel" is all right, but it should never be separated from its twin, "young men for war." The probable tenure of service of the men responsibly connected with any project should first be as carefully considered by the investor as by the insurance company which has reduced the problems of mortality to a science. Personally, I would scarcely consider any business project, the success of which must depend upon the work of men past the meridian of life.



FREDERICK W. UPHAM

President of the Consumers Company of Chicago



GEORGE M. BROWN

President of the Certain-teed Products Corporation

The question of the period in which they may reasonably be expected to remain in the harness is too often overlooked.

So important are all these various phases of the personal equation in connection with a business proposition that I scarcely feel it necessary to touch upon other points. With me this is the governing factor, although it must always be considered in connection with the more material factors. According to my experience and observation, it is here that the average investor is most likely to score a mistake. Here care and judgment will generally lead to a fairly correct analysis of the financial basis of any business proposition, but a correct understanding and judgment of the personal element is more difficult and requires a finer faculty of discernment.

A business enterprise that is a little weak in its finances, but very strong in the personality of the men behind the guns, is in better situation than if strong financially and weak in personnel.

So far as the means of getting to the bottom of any business proposition on its first presentation is concerned, I have never seen a sounder or more discriminating rule of conduct than that laid down by W. T. Fenton, of the Chicago Clearing House Association. "Let the other man do the talking," declared Mr. Fenton, and the maxim is worthy of repetition and emphasis. When the promoter of a business proposition is thrown upon his own conversational resources, he is generally given a novel experience, which leads him eventually to disclose those points which he had not intended to bring to the surface. If the man who is being interviewed feels it necessary to bring forth questions, he will usually get better results by deferring his interrogations until the second interview. Then he should take the initiative and

prosecute his probing with rapid, decisive and leading questions, not forgetting to introduce some inquiries which must, in the very nature of things, be unexpected on the part of the person presenting the proposition.

The average business man does not take careful stock of his mental processes, but acts upon instinct and impulse; consequently it is difficult for him to trace the maneuvers by which he arrives at a conclusion. But so far as I am able to do this in my own case, the steps may be summarized in the brief statement: "Be sure that you understand the personal equation connected with the proposition. Let the other man do the talking."



IF YOU *would increase your service-rendering power, you must know yourself, through self-analysis, and having become acquainted with the service-rendering qualities possessed by you, you must so nourish them and use them that they will unfold or develop.*

If you would increase your service-rendering power, you must become a good judge of human nature.

If you would increase your service-rendering power, you must know your business and come to know it through and through.

If you would increase your service-rendering power, you must so apply your developed service-rendering qualities, your knowledge of human nature and your knowledge of your business, that you will create in the minds of those with whom you deal or come in contact the effects of favorable attention, interest, desire, action, confidence and satisfaction.

HOWARD ELLIOTT,
Former President of the New York, New Haven and Hartford Railroad Company

VI

WHY WE BASE OUR BUSINESS PERSONALITY ON "LABOR GOOD WILL"

By George M. Brown,
President of the Certain-teed Products Corporation

WE sincerely want to find out what our men care most about; we earnestly want them to feel that their problems, hopes and ambitions are close to us. This may be selfish in the long run. Certainly it is good business—what success we have obtained during the years that we have been in business has been due more to a spirit of cooperation among the employees than to any other single factor or policy.

Knowing what everybody in the organization is thinking about, and making them think right has supplied the biggest factor behind our success. So, I consider it an exceedingly valuable asset to us that, even though we are above the average in size, every member of the organization, from the executive offices down to the workmen, still understands that the company's interests and his own interests are identical. Faithful work and strict adherence to our policies are the only sure roads to promotion; our higher positions are filled by promotions and not with outside men.

When a student at West Point, they taught me that my most important duty was obedience to my superior officer. I have brought that idea into our business and organized

it on the military plan. Every man knows who his boss is and no man has more than one boss—and he knows what authority that boss has.

There is only one fundamental difference between our organization and that of the Military Academy. At West Point an order is given and must be obeyed, regardless of reasons. In the General Roofing Manufacturing Company orders must be obeyed just as unfailingly, but anyone receiving an order has the right to know exactly why it is given, because we have a "reason why" for everything.

When a young man comes to work with us we tell him that he will be on probation for two years. During that time he is given an opportunity to show us in what field his greatest ability lies. He is shifted about from one department to another until we are convinced that he shows his maximum ability in some particular position.

At the end of two years we will have a pretty complete record of him in our card catalog. This will show: (1) when he came with the company; (2) the rate of pay; (3) the positions he has occupied; (4) the various promotions; and (5) his all-round effectiveness. Not until the two years have passed will we try to form a definite opinion of him. It will take that long to find out a bit about what he is really thinking about. From the filed data, plus personal contacts, we will then decide whether or not to keep him permanently. After a man has successfully passed through this period of probation, it requires a severe jolt to dislodge him. We feel satisfied that his particular work has been correctly laid out in the right field—sales, correspondence, accounting, construction, or manufacturing.

Eighty per cent of the stock of our company is owned by officers and employees, so in the long run the majority

of us are working toward the same object—growth and success for the concern. We want the men to come in and share our profits with us, and ever since we started in business it has been our policy to allow our employees to get in "on the ground floor" whenever we "cut a melon." All that have done so have taken handsome profits. In several instances small fortunes have been made out of timely investments in the company's stock.

From an original investment of five hundred dollars, a stenographer in our St. Louis office has realized over twenty thousand dollars based on the company's book-value of her interests. The former manager of our Marseilles plant has retired to a plantation in Mississippi —bought with the cumulative profits of several stock purchases. His original capital was five hundred dollars. He took out thirty thousand dollars after less than eight years with us. As he expressed it, he only left us "to return to his first love."

HOW *the personality of this business tends to make the workers happy in their work, and how this, in turn puts dollars to the company's credit.*

When there is a tie like this binding the organization together, thinking that is helpful to the business should occupy everybody's mind. And when everybody is working toward the success of the business every day, it would be difficult not to make profits. For the same sort of reasons, I think it is a good investment to share the prosperity of the enterprise by paying attractive salaries. All these efforts to get the organization working right tend, as one result, to build up a business personality based on "employee good will" and "labor good will." That is, employees will prefer to work with you. A "labor good will" is worth money. We can say, for ex-

ample, that we have never reduced salaries and that we pay our men unusually well.

Here the reward has been satisfactory, too. We have made money all the time; we have never had a bad year. Of course you cannot say that working on the right basis with our organization, making sure that everybody is thinking only of the company's good, explains this record entirely. Manufacturing facilities and economy in operation had their share in the work, and advertising played a remarkably important part.

We never take men into the General Roofing Manufacturing Company from other manufacturers in our line, for we want our men to come to us with open minds, so far as the roofing business is concerned. We want them to come, learn and suggest—the suggestions to be based upon careful observation of our methods. We are especially anxious to get young men fresh from college, for we find that they produce the greatest number of new ideas.

They do not know how to get in a rut. Ruts are all right when they are made by careful study and familiarity with working conditions, but we do not want the young men to fall into our ruts too quickly. We prefer that they suggest and criticise and help to smooth out the rough places.

We want to know what everybody is thinking about us, for we are always in the market for ideas. Anybody in or out of our organization who has an idea that might be useful to us is invited to present it. The managers of the three plants collect the ideas that have been suggested in the intervals between my visits and take them up with me. For any ideas that are put into practice we have a graduated scale of reward, the amount depending upon how much money the new idea saves us. I will gladly go

to a lot of trouble or discomfort to see some new labor- or time-saving appliance or some new idea in operation, for I want to make the men feel that I am personally interested in their ideas—what they have been thinking about.

The detail of the manufacturing organization which has helped us accomplish the growth I have mentioned is very simple. The three plants are in charge of three vice-presidents, who are directly responsible to me. Beneath these officials, and attending to the manufacturing routine, are the plant managers and plant superintendents. Each superintendent is assisted by a graduate chemist who passes on things of interest to us.

These chemists are continually experimenting with new mixtures, painting them on glass, and exposing them to the elements. So we are sure somebody is always thinking about improving the quality of our roofings. As roofing does not wear out, but dries out, the most desirable mixture is the one that dries out the slowest.

At each of our plants we also have a chief clerk in charge of the office end, and a factory scout. The factory scouts are graduates of technical schools. They have no regular duties. They are not responsible to the plant, but report directly to the manager of manufacturing in St. Louis. You may find one of them in any part of a plant, at any time, making notes and suggestions. So we have six eyes always busy finding out what we ought to be thinking about and spurring us to be always thinking.

We are proud of this department of scouts. It has saved us many times the money we have put into it. As an example, our scout in the Marseilles plant discovered that the workman whose duty it was to select the rags that go into the manufacture of various grades of roofing was making a mistake that cost us two hundred and seventy dollars a week. The man was shown how to make

the proper selections, and after a week the scout checked him up again.

This time his inaccuracy was figured to mean a loss of eighty dollars. The scout repeated his instructions. By the third week the man was making the selections correctly. Now he does it right all the time.

It was better to instruct the man than to discharge him, for he was a faithful worker backed with several years' experience in handling the materials. The scouts investigate and report regarding everything connected with plant effectiveness that comes within the range of their daily observation—such as the economical consumption of fuel, the scientific conversion of water into steam, and so on. Besides, they continually discover what we are thinking about, for of course we are often too busy to stop and figure out in detail all about our thoughts.

IS GETTING *ideas about the business from everyone in the organization a worth-while plan? What the General Roofing Manufacturing Company found out.*

Here is another example of the value of getting everybody's best ideas regarding the business. A good suggestion that came to the front several years ago was the name for our roofing "Certain-teed." I did not like it when it was first suggested. But I kept thinking it over. Finally I came to the conclusion that no other word could so thoroughly describe what we want our roofing to mean to our customers. So, even the name by which our goods are known came from finding out what the organization was thinking about.

Just one more instance which led to equally important results. Not so many years ago a man in our organization had an idea. As the average single purchase of

roofing amounts to only eleven dollars, and as usually the heads of families buy roofing—and but about one out of three of them—we had thought that our appeal was so limited that we could not afford to advertise. But this man's notion was that the remote customer is more easily reached by the printed page than by the jobber's salesman.

The advantage of creating a consumer demand for such a product as roofing was not so well recognized then as it is now; but we tried an experiment and started advertising. Today our printed salesmen call on 28,000,000 families fifty times a year. Our distribution still is effected principally through the jobber, but our market and good will are our own—thanks to advertising.

Once a week we find out what our sales managers are thinking about. Their reports are compared, their comments on business conditions carefully weighed, and letters of acknowledgment containing sales advice sent in reply to their communications. At the end of every month we get a detailed profit and loss statement for every sales office. This shows: (1) what was shipped; (2) the exact cost of each item; (3) the number of items; (4) selling prices; (5) discounts and allowances; (6) the gross profit on shipments; (7) the various expenses of the sales office and (8) the net profit.

After getting this profit and loss sheet we send a copy to each office and we are able to advise each sales manager what we expect of him the following month. As a general rule we expect all our sales offices to show an increase each month over the corresponding month of the previous year, though of course we always make allowances for bad business conditions in certain localities.

My main duty of late years has been selecting men for promotion. I can look out upon our organization as one

that I have picked myself and trained myself in a business without secrets, whose members know what I am thinking about and want me to know their thoughts. I know that I can take a vacation any time I want to and they will run the business, and run it right. In fact, for several years I have been taking nice long vacations in the summer and shorter ones in the winter.

I enjoy my vacations thoroughly, but that is not my main reason for taking them. I know that others will decide questions right, and even if I did not care to take vacations, I would actually hide every now and then, in order to give our executives a chance to decide the problems of our business for themselves.



THAT *organization will be most successful whose head has the good sense to provide the widest possible opportunity for the individual initiative of every human being therein, from the very lowest to the very highest, and uses his ability in the direction of coordinating the effort put forth by all. The all important thing is to develop in the breast of every one of the workers in an industrial or other enterprise the feeling that he must make the most of himself. Not that the organization selfishly demands of him his best effort for its advantage, but rather, in providing his best opportunity to attain the highest for himself, its success is bound to result.*

FREDERICK J. KOSTER,
President of the California Barrel Company

VII

MEN—THE BIGGEST BUSINESS PROBLEM

By James Logan, Chairman of the Board and General Manager of the United States Envelope Company

IF we are to hold our own in commerce in the years to come, we are going to need in this country a degree of business effectiveness higher than we have ever previously attained. This means that the day's work must be done better in the average store and the average factory.

There has been a great deal of easy money in the United States of late years, and easy money is always dangerous because it usually results in lax business methods. When times are prosperous leaks go unnoticed and leaks which have been noticed are allowed to continue. Getting the cream easily makes us disregard the details, and once the details are disregarded it is never long before what butter you get has to be made from skim milk.

Easy money influences a business exactly as it does a boy—it rarely makes for earnest work. Without the spur of necessity to drive them on boys become soft and flabby. It is precisely the same with men or businesses. There is no by-product more characteristic of prosperity than inefficiency. Now what practical steps should we take to meet this situation? What are the most important steps you and I can take in our businesses, the effects of which, when totaled for the entire country, will do the most to

solve the problem? I want to suggest that we turn our attention to those who work with us, to the human side of business. If we shall each learn how to awaken a little more loyalty from our "help" and to give more in turn, always remembering that loyalty creates loyalty—I prefer the old-fashioned word "help" to "operative," "worker" or "employee," for they are our helpers—the total results may satisfy the need, for a country's effectiveness in commerce is measured by the good will and loyalty between the heads and the helping hands in its factories and stores. This loyalty of help is therefore part of the foundation of national commercial standing. And there is only one way to strengthen the loyalty of help—by learning to treat it with a degree of human sympathy that will result in better team work among the help on your payroll and my payroll. We might properly paraphrase the old quotation: "Am I my brother's keeper?" and make it read: "I am my brother's helper."

Hence I suggest that our big problem is the problem of showing greater understanding of the human element in business when working with our help. This has always been as difficult a problem as any in business.

Now just how is this problem to be solved? What are some of the knacks to remember when dealing with our help? These are not easy questions to answer. It is true that most of the problems which we have to solve are human problems, but there are scores of varieties of human nature and our constant contact with human problems does not help us so much as it might otherwise. Moreover, a larger number of these varieties of human nature are represented in the average store or factory, so we encounter the problem at practically every turn.

It is the easiest thing in the world to recognize the man

who has unusual ability for handling men, but the hardest thing in the world to define his methods. To deal with men in trying business situations calls for patience, and for judgment and for tact, and also for a lot of things which the best of us cannot learn from books. You can see the effects of this knack of working with men smoothly, but for the life of you you can't put your finger on it. It is a quality that makes a man likeable, but still is not "soft."

This knack of handling men is burnt into those who possess it by experience, and can be acquired in no other way. In the concerns fortunate enough to be influenced by it, it results in a "family feeling" which is as invaluable as it is intangible.

METHODS *which help to win the loyalty of workers. Is a cold-blooded attitude a wise business policy? Conditions which apply in either the large or small business.*

However, it is possible to point out certain methods which help to win loyalty from help. Let us first consider the concern large enough to hire foremen or others to take over the subordinate direction of the men. Here it is all important to have the foremen feel that winning the support of the help is as important a factor in judging their success as the quality and the quantity of the product. They must understand that a workman is first, of all a human being, not a tooth on a gear, and that he will never produce best when you buy only the work of his hands and forget to provide for the sympathetic cooperation of head and heart.

The best way to hold men is to know them, and this becomes increasingly difficult as business units grow larger. The wise business man does not believe in taking the cold-blooded attitude toward his help, for he knows

that the man who does usually pays a price that is ruinously high.

Now let us turn to conditions that apply in concerns of practically all sizes. It is important not to drive. "Fear of the boss" never inspired any real team work, and no good working force was ever built up without team work. The men in positions of responsibility must make the men under them really want to work with and for them. It takes a likeable personality to awaken this sort of an attitude among the help, and yet some men have smothered and destroyed the likeable personalities which should have been an important asset.

I say without hesitation, and judging from a somewhat varied experience in management, that I would choose a tactful personality every time in preference to great executive ability or mechanical skill. The man with a likeable personality can develop, with apparently no effort at all, a degree of effectiveness far surpassing that created with the most painstaking care by men possessing only great executive ability or skill. And when we find a man who possesses a combination of all these to a high degree—a human personality, unusual executive and mechanical ability—we should count him an almost priceless asset.

It is also vital for those in positions of responsibility to be patient despite trying conditions. Above all, they must be fair. No matter how restricted it may be, they should try to appreciate the other person's point of view; and they should make every effort to hold their tempers, no matter to what extent they may be aggravated. They must avoid saying things that should never have been said, at least never said in the heat of anger. Their horizons are wider than the usual horizon, their outlooks broader than the average outlook, and therefore it is

fair to expect self-restraint and impartiality from them.

These executives should be taught always to avoid putting themselves in a position from which they are forced either to back down or to take a step which they never intended to take. Hasty statements or acts will put them in such positions most frequently. They should understand the advisability of thinking twice before delivering the ultimatum which will force a step that is bound to precipitate trouble. Quietness and thoughtfulness in speech and act should be studiously striven for by them.

To hear patiently what their subordinates have to say, and to convince these subordinates that they want to be fair and just, should be among the lessons learned by these executives. Where do most of the labor troubles start? Precisely at the point where some manager, superintendent, foreman, workman or labor leader takes a position from which his pride will not let him recede even if his judgment favors a retreat. He must either surrender or fight, and if he fights, hundreds of others may have to pay an awful price—merely to sustain one man's personal pride. Just a little temper, not much, a few hot words, not many, a few "damn you's" and the like, and the only bridge between both parties and peace is down. If only a little tact and reason had been used during the early stages of the trouble, the final position that could not be compromised might easily have been avoided.

These executives should learn that it never pays to call one employee down in the presence of another. It may be all right—at times it may even be advantageous—to speak words of praise for other ears, but this is never true of words of criticism. Sharp, cutting words of criticism may sear and burn an employee's brain for months,

and if spoken in the presence of another, embitter him, perhaps for life.

Executives will be more valuable if taught that every subordinate should be a follower, and a loyal follower. Loyal followers are not created by "calling down" subordinates regardless of their personal pride. I am afraid we are a bit prone to crowd the human side out of our minds for what may impress us as larger things.

HOW *the personality of the employer will usually be reflected by his men and, therefore, by the business as a whole.*

Perhaps you have heard the advice an old railroad superintendent gave to his son—it ran something like this: "Son, you will sometimes have to discipline men, but you can do that without parting company with good manners. It won't lift you up in the estimation of your men to tell a man in the presence of others how many kinds of a d—— fool he is. No, no, that good old word discipline comes from the same root as the word disciple, and the definition of the word disciple is follower."

When the boss cultivates a spirit of grouch he can decide at once that it is going to produce one kind of fruit and one only—it will produce "after its own kind." And, although the boss may be just one grouch, from that seed there may grow forty grouches all 'round the shop and the odds will be against him.

It's the man with the smile who usually wins out in business, as well as in other walks of life, for that matter. Sometimes it surely is no easy trick to smile, but the trick in business is to do the hard things. Anyone can do the easy things—the reason the boss is paid a boss's pay is because he can be counted on to do some of the hard things.

Nothing is more pitiful than the sight of a man of skill falling down on a job requiring something besides skill simply because he will not provide himself with suitable assistance and then delegate some of the work to the assistants. The man who succeeds is the man who has the help of a team. The lack of team work is the explanation of many a failure. It is but too true that he who attempts to do everything himself usually fails.

We shall find it wise to remember when dealing with the mind and quite unconsciously transforms the feelings impression than personal effort. Effort is assertive. Influence is pervasive; it takes possession of the heart and the mind and quite unconsciously transforms the feelings which rule them.

Since we are discussing ways of working with men to better advantage, we must naturally give some thought to so-called (and too often miscalled) scientific management. There is apparently a growing tendency to ignore the human element in industry, and many would connect this with the interest in scientific management. This tendency runs toward the creation of the means for the production of goods at maximum capacities and minimum costs without much regard for the human element involved.

The result is a mechanical spirit, a spirit which produces minds of mechanical qualities and withers up ordinary human feelings. We should never agree to acquiring commercial effectiveness at the expense of the richer spiritual qualities. If we are going to allow our pursuit of the scientific to make slaves of materialism of us, we had best call a halt today, before we have gone too far, for real progress will come only from making the scientific serve the human element.

As long as we remember that making our business effective really amounts to applying common sense to ordinary commonplace affairs we shall be safer. There is nothing miraculous about that, and we shall not get beyond our depths. There is no doubt that the new profession called "efficiency engineering" and other names has made considerable progress in some directions, but that should not be made the excuse for placing either ourselves or it in a false position by turning everything that is troubling us in business over to it. When it comes to this question, some of us who were not born yesterday transpose the words on the signs at the railroad crossings and look, listen—and stop.

A friend of mine went to hear a leading efficiency man, who has done splendid work, speak about efficiency in the household. The argument was advanced that even in the purchase of lamb chops there were chances for improvements through greater efficiency.

The next morning my friend undertook to teach his wife what he had learned from this speech. His wife listened patiently for a time, and then asked, "Do you love me?"

"Certainly I do," he answered.

"Do you love your happy home?" she then asked.

"Sure!" was his answer.

Next she shot at him: "Then shut up."

So-called scientific management has as its object the elimination of waste. The most important waste in business is not of materials but of time. Now to make the most attractive reductions in the wastage of time, you must have cooperation from your employees. In other words, the knack of working with men is vital.

Hence, any system of management, whether it is called scientific or not, which disregards this factor of team

work or cooperation from the help is most dangerous. It will defeat its own ends.

It is fairly easy to list a number of types of management in use by men responsible for the work accomplished by important concerns. For instance, some business men think the knack of handling men amounts to nagging at more or less regular intervals. Personally I do not think much of this method.

Others prefer to make working with men largely a money matter. They offer a man twice the amount any one else will give him, tell him they expect him to make good twice as spectacularly as anyone else, and then leave him completely alone. If he makes good, they really give him enough more to keep him pushing; if he falls down, they replace him. This method may be all right if you can afford expensive blunders.

A third plan is to work with men by arousing a spirit of team play among them and making them feel that they are members of an industrial family. This, I believe, is the best way. You must have team work for the finest success.

One of the important detailed questions involved in working with men is, of course, when and how to handle raises. Here again we encounter fifty-seven varieties of specific conditions. The case of each man is different. With some men a raise will act as a spur; with others it will put them to sleep. The question of salary rewards should never be disregarded, of course, because the man who most deserves an increase may be one who will not ask for it and will cast about for new connections after a noticeably long period passes without a raise. Most business men with a number of highly paid men under them have stated periods, I presume, for going over the names of these men. Only by following some such sched-

ule can the risk of overlooking a good man be avoided.

Most important still is the advisability of mapping out the line of advance best suited to each man and showing him that it is ahead. Then, too, men should be shifted until they are in position for advancement along the lines at which they work best.

The reward of planning of this sort, if coupled with the right type of management, should be team work and an unusually low labor cost in place of the always expensive hiring and firing policy. In our organization, for instance, the average time that our managers and assistant managers have served the present company or its constituent companies is 24½ years, while the superintendents and assistant superintendents have been with us 22½ years.

So much for the details of this problem. It is all condensed in the fact that effectiveness in business comes from within and is not superimposed from without—we must arrange to encourage the men on our payrolls to get out the best that is in them. Putting it concretely, these men should be shown the better way.



IN ORDER *to develop any organization it is necessary to have at the beginning a plan, to have a definite idea of what you wish to do and the way you wish to do it, and the development of the organization is merely a development of your plan. When once the plan has been formed the vital principle, so to speak, the vivifying force, is the personality in the organization.*

G. W. DICKERMAN,
Vice-President of the Remington Typewriter Company

VIII

GETTING THE PERSONAL TOUCH WITH CUSTOMERS

By Joseph G. Wallach,
President of Wallach's Superior Laundry Company

CAN you remember, offhand, the name of your laundry? I venture to say that you can't. If you are the average man and patronize the average laundry, you will only have an idea that somehow your laundry goes and somehow it returns—if it does not return you dig about to find the name in order to make a kick. Just so long as things go smoothly, you do not care much who does the work.

Look at the situation from the other end. If your customers are not moved by good work and by good service to even so much as discover your name, how are you going to extend your business? That is what the laundry man is up against. He has nothing to sell but his service and, no matter how good that service may be, he will hear from his customers only when he falls down.

I have looked into the workings of a great many different kinds of business. I have studied business methods everywhere. But I have yet to find a business which presents quite the same difficulties as the laundry business, although the fundamentals underlying them may be the same. I once laid out $10,000 in advertising in the city newspapers and I did not get a penny's worth of business in return. When it was all over I sat down to review

the situation. I found that my campaign failed because I had nothing to advertise that a half dozen other large concerns did not also have; I may have helped along their game a little, but certainly my business did not have a punch big enough to be noticed among that other six.

First-class laundries usually charge about the same prices and they do approximately the same high grade of work. That is, you have competitors to meet who have fundamentally just as much to offer as you have. The competition is extraordinarily keen. A lot of laundries, sorrowfully taking account of these elements, confine themselves within narrow geographical limits and take it for granted that the business is one which will go by favor or by propinquity.

That is one way of looking at the business. It is the easiest way, but it is not the way to extend or to make money. I have been facing these problems for many years. How was I to make our firm something more than "a laundry"—to bring us out of the crowd? It could not be done by cutting prices, for the others would meet the cuts and we should all lose money. We already did our work as well as we knew how. Neither price nor workmanship being available, we hit upon another idea—to give some distinct, specialized service which would bring home our name to people. I had noticed that concerns which sold articles, and not simply service, had successfully marketed their products against the strongest competition by making the surroundings, the wrapper, the shape—something about their article—individual. The article itself might be identical with that put on the market by a hundred competitors.

We decided to push four points and make our stand on them. These were:

1. Personality: to give our work something that the work of no one else had
2. Satisfaction: to go to any and every end to please and oblige customers
3. Sanitation: to do something more in the way of cleanliness and hygiene than had been thought possible
4. Stability: to insure without limit or restriction everything which was entrusted to us

If we could attain personality we would then have a basis for bringing home the remaining three points, but without this personality our work along the second, third and fourth points would only redound to the benefit of the trade in general; because the customer, no matter how pleased he was with the work, and with the conditions under which it was turned out, would not associate these qualities only with us.

Therefore we decided to trade-mark our product. I think that we were the first to introduce the trade-mark in the laundry business.

Every parcel, large or small, which left our factory bore a little paper seal containing the name of our concern combined in a distinctive, colored trade-mark. Note that we used our own name. We did not and could not know our customers personally, but we wanted to let them know that they were dealing with individuals and not with phantoms who traded under the name of "White Star," "Home," "Domestic," or any other more or less meaningless designation.

Our trade-mark, containing our name, was intended to make some such speech as this to the customer: "Here are your goods and our workmanship. We stand behind our workmanship and therefore we have sealed the goods with a seal bearing our name."

That seal stood for good, responsible work but not for good, responsible work in general—only for our own work We drove that point home. We put the seal on everything; on our wagons, on our stores, on all our advertising, on the uniforms of our employees. And thus we acquired an individuality—a personality. The cost of *the sealing was not appreciable, but the results were far-*reaching. We ceased to be simply a laundry and became people. Our customers ceased sending things merely "to the laundry;" they sent them to Wallach's. It is very difficult to trace cause and result, but I think the adoption of this trade-mark system largely increased our business.

WAYS *by which the personality of the Wallach business is impressed upon its patrons. Why quality alone is not always a sufficient recommendation.*

Of course the trade-mark was only the beginning. It was a bid to make ourselves known. We had to back it up. When we advertised, our advertising was direct and personal. We transformed a mere service into a trade-marked article.

In the way of hygiene I can not frankly say we were in any particular degree ahead of our competitors, although we certainly were behind none of them. But we made the most of the fact that our work was done by clean, healthy employees in clean, airy, well-lighted buildings, and that every precaution known to medical science was taken.

The hygienic side was emphasized, but it was only part of the plan. It did not bring business of itself, for I have found that the average individual views hygiene without emotion; he becomes really concerned when he discovers that his effects have been prepared for him in

a dangerously insanitary way. He is more concerned with how his things look than with what happened to them while they were out of his keeping. I think the most insanitary laundry in the world would win business over the most sanitary if the first tried to please while the second merely said, "*This is a fine thing—take it or leave it.*"

You must please customers in other ways than with merely the quality of your work. I suppose this is where the finer points of service come in. We rigidly trained every employee to be always, under every circumstance, polite, courteous, prompt and neat; we made it a point of pride with them that the trade-mark was to stand for the limit in these qualities; that our men were to be everywhere known as the men with whom people never had any trouble.

Take complaints, for example. We get plenty of them. Some of them are just, but many are unjust. A considerable proportion of them are presented in the most disagreeable way possible. We instruct our employees, "No matter what a customer says—submit. Do not answer back. Bring the complaint to the office." Within forty-eight hours at the latest we satisfy the customer. It is not a question of money; we expect to lose money, but we charge that loss up to advertising. We try to let the customer be the judge of the fairness of everything.

The question of customers' accounts is a difficult one. We believe it pays to extend credit, in spite of the fact that the average monthly account does not exceed four dollars. We never flatly refuse credit. When an application for credit is made it comes to us on a regular form and is passed on by us. If we decide that credit should not be given we simply return the application, stamped "Application Returned," to the branch office

from which it came, and the branch office tells the customer that we prefer to collect on delivery.

If we do extend credit the account goes into one of three classes. In the first, the credit is granted without limit in amount or in time of payment. In the second, payment must be made within six weeks, otherwise the goods go "collect;" and in the third, the bill must be paid in the fifth week or the goods go "collect." By following these rules our credit losses amount to rather less than one half of one per cent and, of these slight losses, eighty per cent may be traced to a failure of someone to follow rigidly the exact terms of the credit.

WINNING *the loyalty of the drivers—who do not receive high wages—through a bonus system of payment. How the system has worked out.*

The driver of a laundry wagon occupies a peculiar position. He is the man who comes in contact with customers and it is also through him that most new customers are directly obtained. Upon his loyalty depends much of the success of the company. At the same time the position is not one that may command wages commensurate with those of the high-grade salesman. We compromise by paying our drivers fixed wages, a commission on all their business, and a bonus for new customers.

Our bonus system was the result of careful thought. It is cumulative and is paid every thirty days. We rate a person as a customer in the bonus calculation if his goods are twice received. In order to prevent a driver from splitting up the laundry of a household into separate parcels and thus pretend to have secured new customers, we insist that new work shall not be considered as such if it comes from a household where we are already doing business.



Mr. Wallach says of his efforts to give his copy personality: "We make the most of the fact that our work is done by clean, healthy employees in clean, airy, well-lighted buildings"



This might be called trademarking a service. Parcels from the Wallach plant bear a little paper seal containing the name of the concern combined into a distinctive, colored trademark



Mr. Hastings says: "I am never too busy to take exercise, and the renewed energy it gives me fully justifies the wisdom of my course. I just go ahead and take it anyway" (See Chapter III)

Loyalty of employees inside the factory is almost as important as loyalty outside, because departments must cooperate with each other in order to avoid friction and waste. We therefore have certain standards of work for the employees in each department and if they fall below these standards of output we know that something is wrong. For instance, the collar-ironing department must turn out 108½ pounds an hour, and if it is not doing that we want to know why.

All the factory employees are paid on a piecework basis, for our work is such that it can all be reduced to a standard process and worked out by mathematics.

EFFORTS *are made to keep personal relations with workers always on a pleasant basis. Why this is considered important in its effect on the personality of the business.*

We found that the best way to raise the wages of our employees was to teach them the most economical methods of work so they could turn out more work with the same amount of energy. For instance, we studied the matter of starching collars, and found that the ten or eleven movements which one operator used could be reduced to three. We applied this study through all the various divisions of the business, with a net result that we succeeded in cutting forty per cent off the piece rates and yet added twenty-five per cent to the employees' wages.

Friction among the employees themselves, and between the foremen and the employees, at one time caused us a considerable amount of trouble and annoyance. We have found that the foremen who previously had been operators may be the hardest on those under them. Therefore we took away from the foremen the power to discharge employees. They may engage their help, but any question of discharge comes up to the office. If an em-

ployee is working unsatisfactorily, he or she is brought to the office and told exactly where the fault is. A delinquent is given three trials and then, if still below par, is brought to the office for a talk with one of the heads of the firm and given a final chance. Failure in this final chance means discharge.

It would seem that disputes between the employees themselves were a matter of small concern to the management. We find it otherwise, because in the event of a serious quarrel we are bound to lose one and possibly both of the operators. It costs money to take on new people. It costs so much money that we will go to extremes, even to the extreme of apparent weakness, to hold our help. We insist that every quarrel be brought to us, then we have the whole thing aired by the participants and usually succeed in getting them together.

We try to maintain personal relations with our whole force. All the members of the firm know every one of our more than 400 employees by name. We go about among them and we encourage them to come into the executive offices whenever they like. When they are in trouble we lend them money or give them other needed assistance. We do this primarily because it is the way we like to treat people, but if we had to consider only the financial phase we should not change our course. The loyalty of employees is a tremendous asset. We have never had a strike, nor a demand for higher wages.



A BUSINESS *enterprise that is a little weak in its finances, but very strong in the personality of the man behind the guns, is usually in a better situation than if strong financially and weak in personnel.*

FREDERICK W. UPHAM,
President of the Consumers Company of Chicago

IX

PERSONAL SERVICE THAT PAYS

By E. M. Statler,
President of the Hotels Statler Company, Incorporated

OUR biggest job is in seeing that our customers like us—and seeing that every instance which indicates that one of them may dislike us, is carefully analyzed. When a customer makes a complaint it means that investigation, right down to the bottom facts, is necessary—because we know that if we are indifferent to a single complaint, we are not building good will as far, or as solidly, as we might.

The commodity we deal in is service. Our business future depends absolutely on what our guests think of the kind of service we provide for them. Consequently, you can see why we are so eager to know what our dissatisfied guests say about us.

Probably our business is a good deal like others, in this and in many respects. Every business, for instance, has "guests," although perhaps the fact is not usually so obvious as in the case of a hotel. In his customers, the merchant has hundreds or thousands of "guests" in the course of a year; and every business office has its quota of caller-guests daily. Indirectly, if not directly, all these "guests" may become sources of friendliness, good will, and dollars-and-cents profit—or they may become exactly the reverse. Hence the care we take to give the kind of service that will please our guests.

Service is a difficult quality to lay your hands on. It is a part of the personality of every business. I shall not try to define it more definitely. I shall simply tell some of the things we do in our effort to provide it for our guests.

Much as we welcome complaints, our first aim, of course, is to prevent them—by removing as far as possible the causes for them. When we fail in this, and a complaint is made, we move heaven and earth to satisfy the guest. Sometimes we lose money by doing so—at the time. But what little we lose we charge to the creation of "good will" and count it as so much invested for future profits.

Start right at the beginning with our policy in regard to meeting customers when they first enter the doors of our hotels. We believe it is very important for them to get a right impression from the start. Consciously or unconsciously, they may gain a bad impression of us if the doorman is not alert or if the bellboy who is there to relieve them of their grips performs his job in an unmannerly or an ungracious way. He may be too insistent. He may give the impression of being superior or supercilious. Again, he may appear simply servile.

Now it is our purpose to have him appear to be doing just what he is doing—namely, performing a gracious little service for the guest, not because he personally is going to get anything in return for it, but because we as an organization want the traveler to feel that he is coming into a house that is friendly to him, and that aims to place his comfort and satisfaction above everything else.

That bellboy's superior is a "superintendent of service" whose job it is to see that all of the employees under him who come in contact with guests meet them in this way—graciously, courteously, and cheerfully.

If this man sees a bellboy rudely or awkwardly taking a grip from a guest, he makes it his business to instruct that bellboy in the proper method of greeting guests—and in the particular task of relieving them of hand-baggage when they enter the door.

In this connection, we try never to hire a man who cannot smile. We know that a habitual "grouch," if he happens to be in our employ, is a sure source of complaints. The man, however, who is naturally friendly, who has a smile just under the surface, will make and keep friends for us. Here is a quotation from a recent order to our managers, which emphasizes this point:

"You are instructed to hire only good-natured people, cheerful and pleasant, who smile easily and often.

"This ought to go for every job in the house, but at present I'll insist on it only for people who come in contact with guests. It does go, from this day, for all department heads, front office people, cashiers, captains, bellmen, elevator men, porters, telephone operators, and other employees who have to deal directly with customers.

"Get rid of the grouches, and the people who can't keep their tempers, and the people who act as if they were always under a burden of trouble and feeling sorry for themselves."

THE *"face" that the Statler hotels' personality presents to the guest when he arrives. Plans for keeping tact and courtesy constantly in evidence.*

From the front door a guest goes to the room clerk's desk. Here are a good many opportunities for dissatisfaction and complaints to arise. And there are corresponding opportunities for us to make the guest feel friendly and "at home."

One difficulty we frequently have arises from the fact

that some guests write their signatures illegibly. To the guest his writing doubtless appears perfectly legible. Charles L. Severn's signature, for instance, may very clearly be Charles L. Severn to the guest who owns that name. But when he writes it on the register, it may look to the clerk like nothing but Charles S. Levering. As a result, Mr. Severn probably receives no mail, and none of the telephone calls intended for him—if we let it go at that. His friends, if they inquire about him, are probably told that no such person is registered in the hotel. Consequently, Mr. Severn feels that he has been very badly used.

The number of complaints constantly traceable to this source led us to devise a little card that does much to overcome the difficulty. It is a bright red slip folded over the edge of the register-page, reading: "Your name legibly written insures better service." The clerk moves it downward as the page fills, keeping it always just above the next blank line. It brings the point to a man's attention at the moment of writing—and helps.

Just as important as our method of meeting guests are our methods of handling them after their stay in the house begins. All through our hotels we are constantly striving to instruct our employees in methods of tact and courtesy.

Tact may be a pretty intangible quality. There are some tangible methods we can insist on, however. When a guest leaves his room and steps into the elevator in the morning, for instance, the elevator man greets him with a pleasant "Good Morning!" If the guest has been staying in the hotel several days, the elevator man probably has learned his name. Consequently he adds "Mr. Harrison," or "Mr. Somers," or whatever the guest's name may be. It is a little thing. But good service, after



Creating confidence: Mr. Statler has women traveling alone shown to rooms by "women bellboys"



An example of belief in "many little services, each well done" —guests receive a paper



Mr. Statler says business tact can be taught, and in his hotels a lot of time is spent training employees. Above, you see a bellman being taught how to relieve an arriving guest of his hand-baggage



The Statler guest who does not tip receives exactly the same kind of service as the guest who does. The sign shown above reads: "This checking service is free. You are not expected to tip"



One step in making guests feel "at home." The elevator boys are instructed to say a pleasant "good morning!" to each guest who takes a "down" car in the early forenoon

all, is nothing but many little things, each well done. Many of our customers find themselves in the hotel over Sunday. We know it can easily become a dull day for them, and they generally expect it to be, so we make a special effort to serve them pleasantly.

On Saturday evening, for example, we place a slip in the mail-box of every man who is going to be a Sunday guest and call his attention to lounging rooms other than the lobby. Guests who do not care to remain in their rooms, and yet prefer not to sit in the public lobby, appreciate this information about other—and possibly more quiet—public rooms where they can rest, smoke, and read in undisturbed quiet and comfort.

Then too, on the Saturday evening menus in our restaurants we attach a notice to the effect that any guest who wishes may have his Sunday breakfast in his room without the usual extra charge for this service. Our idea is that when a guest rises on Sunday morning he may not wish to dress for the day at once, since he probably will have no business to transact. Consequently, if he can have his breakfast in his room, he can lounge comfortably in his dressing-gown and slippers and scatter his Sunday paper all over the floor, just as he might do if he were at home.

WHY *Statler finds it pays to give every guest identically the same service, regardless of whether or not he tips—and to always give it with the same good grace.*

Tipping is one of the important problems we have had to deal with in developing service. We make it an absolute rule that the guest who does not tip shall receive exactly the same kind of service as the guest who does tip. We impress this over and over upon our employees, and we let guests know that this is our rule.

In the washrooms, for instance, signs are prominently placed to bear evidence that no service—such as starting the water in the basins, getting a towel, and the like—will be performed by those in attendance unless the guest requests the service. We do not want a guest to be annoyed by an obsequious and expectant employee who performs some trifling service with the obvious expectation of receiving a nickel or a dime in return—yet the guest may have the service performed if he wishes.

At the cloakrooms, also, similar signs say that tips are not expected by the attendants, and in no part of the house will we tolerate a tip-seeking attitude.

I suppose our employees get about as many tips as the employees in other hotels. But I believe the tips in our hotels are almost always given willingly in return for a service graciously rendered—not merely because the customer feels that it is expected of him. An employee who accepts a tip and fails to thank the tipper gets in trouble with us just as soon as we find it out.

At every point where any of our employees come in contact with our guests it is our constant endeavor—in an unobtrusive manner—to make them feel we are doing our utmost to serve them. Of course we try to have our equipment convey that feeling, too. For instance, in the selection of books for our libraries we have spent a good deal of time and quite a bit of money. Our aim is to get books that are really interesting or helpful to our guests.

The books you would select for a private library, or a school library, or a club library, would make a different list from that you would select for a hotel library—if you really gave your mind to it long enough. Travel books, fiction, business books and books for light reading (rather than for study), form the bulk of our collections.

We also have some reference books and books that are nothing but tools.

I remember happening in the library at our Detroit hotel one day and finding a young man exuberantly enthusiastic about the hotel's service simply because we happened to have a book he needed; he was an electrical engineer, and had wanted a volume of tables and formulas that enabled him to work out some matters in hand after the public library and book stores had closed.

Just now we are having our libraries cataloged and fully annotated. Every entry of a volume will have a note giving some idea of the character and scope of the book. No charge of any sort is made for the use of the books, and a catalog is placed in each guest room.

Unattended women who come to our hotels find a woman to "room" them, in place of the bellman who performs that service for men. This plan, we feel, does something towards giving women confidence in us; and perhaps helps spread the idea that we are always trying to better our service.

THE *angle this business personality takes toward guests' complaints. Little services, each well done, that have contributed in no small measure toward success.*

We formerly had a good many complaints from guests who left instructions to be called at a certain hour, and then claimed they were not called. As a matter of fact, we almost invariably knew that they had been called. Of course, we could not very well tell them so outright, because as a rule they honestly believed they had not been called. Being sound asleep and perhaps thoroughly tired out when the telephone girl "called" them, they probably answered the call sleepily, then turned over and forgot.

What we do now is, have the call made twice—once at the time requested, and again five minutes later. Most of our guests appreciate this service—and it has saved us quite a number of complaints.

We regularly place a morning paper in the room of each guest. This is a very small service in itself. It is interesting to note that before we started this plan we realized that the noise of putting the paper under the door might disturb light sleepers. So we spent a lot of money in cutting fractions of an inch from the bottoms of the doors. Probably not one out of a thousand of our customers ever thought of such an expenditure being necessary—but it made better service possible, and was worth all we spent.

Tact, I have already said, is absolutely essential in our employees if they are to perform the kind of service for our guests that we expect. Yet tact seems to be one of the most elusive qualities in the world. Some people have it naturally; others do not have it, and seem unable to acquire it.

It is our constant purpose to train our employees to be tactful. We do everything in our power to see that it is made easy for them to be pleasant in their dealings with our guests.

For instance, our physician examines employees regularly to see that they are healthy in all respects. Sometimes a person has some physical defect that he or she knows nothing about. Very often this defect can easily be removed or cured, and when it is cured, the employee is almost invariably happier and more effective in his work. The healthier an employee is, we believe, the more apt he is to serve our guests as we insist he shall.

We are constantly striving, also, to impress upon our employees our ideals of service. This is a work at which

we have to keep everlastingly pounding. We have, for example, what we call our "service code"—which is the law and the gospel of service as it must be rendered in our hotels. A copy of the code is placed in each guest-room, so our guests can see just how we expect our employees to serve them. We insist over and over again that our employees study and practice the rules in the code.

Every once in a while, as a special means to this end, we hand out a red envelope with each employee's pay. This envelope contains a copy of the code. On the face of the envelope are instructions to the effect that the employee must read the copy of the code enclosed, sign the envelope, and turn it in to his department manager. His signature bears witness to the fact that he has once again read the code "with careful attention to every paragraph." He also signifies his understanding that he is "always to follow" these instructions.

Another method we take of making sure that employees know about our service ideals: we post regularly in all working departments the advertisements that we carry in various papers and magazines. All employees are required to read these advertisements carefully. In a recent note to all department heads and employees we put forward our point of view as follows:

"We can't buy advertising and let it go at that. We've got to deliver the goods—for this reason: it costs us more—more, mind you—to get a new customer to come to us instead of going to another hotel, than we can make on his business that trip. Advertising can and will bring him here once, but whether he comes again doesn't depend on the advertising.

"It depends on how he's treated and whether the service is as good as the advertisements say it is.

"If it's not—if he's not absolutely satisfied when he leaves—he won't come back, and it has cost us more to get him this once than we've made on him. The advertising did its part of the work, and we undid it; the advertising convinced him he would like Hotel Statler, and he came, and we convinced him he wouldn't like it."

COMPLAINT REPORTS
FROM
HOTEL STATLER, CLEVELAND

TO MR. STATLER DATED February 12, 1917

Elevator Service............1
Mail Service................2
Information Service.........1

MANAGER

Form I: "My biggest job," says Mr. Statler, "is finding out when people dislike us." To help him, each manager sends in a daily report of all complaints. A sample report of this type from one of the hotels is shown above

Our employees are trained never to say "no" to a guest when it is possible to say "yes." If a request is made that an employee feels he himself cannot handle, it is not his place to tell the guest that the request cannot be carried out. He must refer the matter to his superior, that we may be sure the guest gets what he wants if we can give it to him.

Naturally, our employees do not always follow our instructions. In spite of all we do, occasions arise when the guest has a perfectly justifiable complaint. That is why I consider it so important to keep in the very

closest possible touch with the complaints that are received day by day.

Every day the manager of each hotel sends me a typewritten report (see page 90) on which are listed the various kinds of complaints received in his hotel that day. Every complaint of whatever kind must be listed. And the manager of the hotel signs the report to signify that it is both complete and correct.

On the majority of complaints it is only necessary to refer to the fact that a complaint has been received from such and such a department. Probably its source is a shortage of labor or some trouble that we know about and are working on. Invariably, however, where the complaint is peculiar in its nature, or where it seems to be important enough to warrant it, the full details are written out. Then we follow the matter through to the very limit.

SATISFACTION *in service might be termed the keynote of the personality of this business. The "no business secrets" policy and the results it ordinarily secures.*

It is our aim to give each guest satisfaction, no matter whether or not in our opinion the complaint is entirely justifiable. If a guest says the bacon he eats in one of our restaurants is not the finest bacon that can be had. no matter to what trouble we originally went in order to get that particular brand, the guest is right—it is not the best bacon. It becomes our business to give him some other brand that is more to his liking, no matter to what further inconvenience and expense we may be put.

This may seem extreme. But the simple and entirely satisfactory reply is: it pays.

I keep on my desk a looseleaf file of all the complaint

reports received from our hotels. There is a separate file for each hotel. From day to day, by the complaints that come in, I can tell pretty effectively if anything is wrong and where the trouble lies.

I want to say one other word. It may be a little off the subject, but it is, I believe, very important. It is the matter of service between business men.

It is our policy to have no "business secrets" which are so sacred that they can't be discussed with other men in the same line of business. I want to testify to my faith in the value of this sort of cooperation. If things we have discovered or evolved or happened upon are useful to others, they are welcome to them—and we don't hesitate to ask questions or borrow methods from others who are willing to answer or to share. I believe that it speaks well for any business, and promises well for its future, when the men in that business "swap experiences" and want to learn from each other. I believe a business will grow faster when it is willing to help other businesses in that line grow, too.

Perhaps you will say that most of the steps we take seem so obvious that everybody ought to be taking them. I think you are right. But I have had it impressed on me time and time again that the fact right in front of your eye is sometimes the very hardest fact in the world to see.



ORGANIZATION *and personality are mutually dependent. Personality needs an organization that both may be stronger. Organization demands a very strong and fit, yet harnessed, personality that both may accomplish a great work.*

HARRINGTON EMERSON,
Efficiency Engineer

X

HOW PERSONAL ACTIVITIES BRING WORTH-WHILE PUBLICITY

By Truman A. De Weese,
Director of Publicity for the Shredded Wheat Company

UNFORTUNATE, indeed, is the manufacturer or merchant who has not learned that there is a kind of publicity more valuable than that which he pays for in magazines and newspapers and which is easy to get without any compromise of dignity or sacrifice of personal honor.

He has noticed how a competitor keeps in the public eye and doubtless wonders through what devious channels of tactful persuasion and cajolery he manages to attract so much attention to himself and his wares at no cost to his house.

It is all a simple problem to the sagacious manufacturer or merchant who understands human nature and who knows enough to identify himself conspicuously with those movements and enterprises which attract public attention and which must necessarily keep some one or more persons in the limelight.

The manufacturer who depends upon paid advertising alone is neglecting a vast field of opportunity that is rich with possibilities of usefulness to his fellow men as well as possibilities for attracting publicity to the business in which he is engaged. If publicity which he pays for is

good for his business, the free publicity that comes through the wide and open avenues of human interest in a unique personality or a unique method of conducting business is also good—perhaps even better than that for which he must pay a good sum.

To be sure, the highways of free publicity are full of rocks and pitfalls. They are strewn all along with the skeletons of business men who sought notoriety rather than creditable publicity for honorable endeavor.

The world is so full of opportunities for useful service in a large and public way, however, that it is easy for the well-to-do manufacturer or merchant of ordinary sagacity to drift into those unusual manifestations of philanthropy and public spirit leading to a publicity that honors his family name and that will make his own name a sweet savor in the nostrils of the public. He need not own fast horses or fall in love with chorus girls to attract public attention to his business. He will get better and more profitable advertising through his efforts to better the condition of his employees or through an active espousal of some movement that has to do with the welfare of the community in which he lives.

While the various methods of securing free publicity for a man and the business which he represents are too many in number and too varied in character to be completely covered in a chapter of this kind, it is easy to group them under two classes: first, the unique or unusual character of the factory or other structure in which a business is housed, or the tools and appurtenances used in conducting a business; second, personal identification with public movements of a political, charitable, educational, or religious nature.

The most important kind of publicity which comes under the first group or classification is the class of

activities termed "welfare work" carried on by firms and companies the declared purpose of which is the betterment of conditions under which employees work and the institution of plans and schemes for the health, comfort, entertainment, amusement and contentment of the employees. This is the real purpose, with the hope of better relations with employees and greater efficiency as its prime motive. Yet it is as legitimate and just that these concerns secure from this work a by-product of favorable publicity, as that the packers secure a by-product of valuable blood from the beef sold to the consumer. That the manufacturing concerns which carry on this work in a serious way and on a large scale are able to command valuable publicity has been abundantly proved.

HOW *does the "welfare work" phase of the personality of a business impress the public? The value of personal example, combined with judicious persuasion.*

It is plainly obvious that the advertising which accrues from this source is not only good free publicity, but publicity of a kind that creates a friendly and favorable mental attitude on the part of the consuming public. Almost any rational, well-ordered mind feels kindly disposed to a business which treats its employees humanely and considerately, and hence is very likely to favor the commodities turned out by such a concern, not only because they will naturally be cleaner, better and of a higher standard of quality, but because of the natural impulse to return kindness for kindness.

It would be very difficult, indeed, to estimate accurately the value of the advertising that has come to such concerns as the National Cash Register Company, the H. J. Heinz Company and the Shredded Wheat Company, because of their fine plants and exemplary treatment of

employees. Moreover, this "welfare work" or "social betterment work" has attracted thousands of visitors to these concerns.

Every visitor, doubtless, becomes a zealous and unsolicited promoter and advertiser, singing the praises of the company and its products at every favorable opportunity. Personal example and persuasion probably are worth more in this world than all the "black and white" publicity that money will command. It is personal example that counts when it comes to the use of a new product.

The varieties of social and educational endeavor which this "welfare work" may assume are without number, depending of course upon the character of the establishment and the facilities that may be provided for realizing the various aims and purposes of social betterment work. It is not often that a company of capitalists can be induced to build such a palatial plant as that of the Dueber-Hampden Watch Company or the Shredded Wheat Company, for instance. The higher factory ideals do not always appeal to men who are looking for dividends on stock. When such a factory is built, however, experience has shown that its advertising value is far beyond the dreams of the idealist who founded it.

In such manufacturing establishments as the ones mentioned, a remarkably clean, roomy, well-ventilated, well-lighted factory is the first essential in the scheme of "welfare work" designed for the health and comfort of employees. Next come the beauty of the surroundings and the horticultural and architectural attractions which are provided for the embellishment of the homes of employees.

Great care is taken to provide all sanitary and hygienic appliances which are conducive to the health and mental

equilibrium of the operatives. A generous and hygienic noon meal is served free, not only to further the health and contentment of the employees, but incidentally to save the company the time that is lost in tardiness. Next in importance are the "rest rooms" which are furnished with comfortable chairs and couches, with reading material, games and other appurtenances; large assembly rooms and pianos for dancing; shower and needle baths; chairs with easy backs and footrests for those employees who are compelled to attend to automatic machinery.

Educational classes are also held, lectures and dances are given and other forms of mental and moral entertainment provided, not to mention the free vacation excursions that are given in the summer months.

In concerns which employ much female help there is also a "matron" to whom the employees may communicate their grievances and who exercises a motherly supervision over their health and morals and gives special care to the sick or the injured.

Another source of profitable and valuable publicity which many manufacturers too often neglect lies in the character of the tools and appurtenances used in the conduct of the business. Who can estimate the value of the publicity that comes from the finely painted, well-kept wagons or motor trucks and well-groomed, well-fed horses used in the delivery of finished product or in the conveyance of raw material to the factory? These are the necessary parts of the machinery of production and distribution and yet they may be used to advertise to the world the high standard of excellence that is attained in the finished product.

Sometimes a manufacturer puts out costly and handsomely made delivery wagons or trucks without taking full advantage of the advertising opportunities they

present. The sides of a delivery wagon should tell in a graphic and attractive way what the owner manufactures and should give some information about his product. In shipping goods from the factory a large and legible sign can often be tacked on the side of the car telling what it contains, and thereby making the railroad company an agent of publicity.

THE *opportunities presented by outside personal activities through which the business man may secure legitimate publicity for his business.*

The opportunities for attracting continuous public attention to an individual and incidentally to his business will now be taken up. In a country of such wide and varied activity, with such numberless and diversified opportunities for public service, there is naturally no limit to the methods by which a man may keep in the public eye and no limit to the channels through which he may invite a creditable and satisfying publicity.

I am not unmindful of the fact that some of the world's great producers have embarked in politics and in other lines of civic service for ulterior and questionable purposes, such as selling their commodities to the government or confusing the public understanding as to the character of their business. But I am not considering the ethics of the question in this chapter: for these cases are the exception—the abuse which every good proposition must suffer. I am simply calling attention to some of the methods by which men have attracted public attention to themselves and the commodities they make or sell, and the value of the publicity thus secured. The instances which I cite will be those of men who have obtained very wide publicity for themselves and their

industries by taking advantage of legitimate opportunities to render honorable public service.

And again it should be emphasized that the publicity reward is only a by-product. I believe that the efforts of all these men have been sincere, with a direct public service motive. But their businesses could not help securing the benefit of the by-product.

Take the example, for instance, of Studebaker, the founder of the great Studebaker business. Here was a man who sought no publicity of any kind—a mild-mannered, simple-minded, unostentatious, Christian gentleman—but who during his life was drawn naturally and easily into wide avenues of public service. Although he managed to keep out of politics, he was so conspicuously identified with religious, educational and philanthropic movements that he could not fail to receive wide publicity, and in this case the public could not fail to connect his name with the Studebaker wagon.

Among the religious and educational movements which claimed Mr. Studebaker's attention and interest was the great Chautauqua movement, of which he was at one time the president. As a colaborer with Dr. Vincent he helped to build up this unique movement to worldwide proportions. He built memorial churches and contributed generously to hospitals, asylums and other institutions designed for the betterment of men and for the amelioration of human suffering. And now that he has gone, the great wagon firm has perpetuated the "Studebaker idea" by erecting in the city of the home plant a magnificent building for the Young Men's Christian Association.

The firm has never used, nor probably thought of using, these deeds of their members for business purposes. But on your mind and my mind this favorable impression has been made—of greater value to the business, perhaps, than pages of advertisements, without personality.

In the same town where this wagon industry had its birth, the inventor and founder of a great chilled plow industry attracted wide publicity to his name and his plows by building a beautiful theater; also a hotel which attracts attention and comment from visitors. When a traveler registers at this hotel he is likely to wonder at the philanthropy of a man who would erect such a costly building in a town of that size. But this is the monument to Mr. Oliver, the blunt and rugged Scotchman who came to this country many years ago a poor blacksmith—and what visitor can forget the chilled plow with which his name is identified when they contemplate this structure?

TYPICAL *instances of how many big business men brought favorable attention to their business through worth-while outside activities of various kinds.*

As I have said before, these instances can be multiplied beyond computation. The name of William Deering, inventor of a harvesting machine, is inseparably identified with the Northwestern University at Evanston. The name of McCormick is honorably associated with McCormick Theological Seminary and with many other institutions founded for the betterment and advancement of our people. Mr. Carnegie's libraries and his great technical school at Pittsburgh will keep this canny Scotchman's name alive in the public memory, while it is impossible to think of the great Chicago University without thinking of its founder and benefactor, Mr. Rockefeller.

In a little Indiana town where I used to live, a man who grew rich out of the manufacture of patent medicines and whose headquarters are now in Chicago, has given himself and his business perpetual publicity by

building an opera house and a hotel both of which bear his name; while the Post Theater, Post Tavern and Post Block in Battle Creek, Michigan, help to herald abroad the name of the founder. The founder of one of the largest glass-making industries in the world brought to his house publicity through the founding of De Pauw University.

Marshall Field was wise enough to keep out of politics, but he made such distribution of his surplus wealth as to attract wide and honorable publicity to his great house. The football contests held on Marshall field, at Chicago University, and the wonderful Field Museum are constant reminders of this prince of merchants. Henry D. Perky, the inventor of Shredded Wheat and founder of the great industry at Niagara Falls, attracted public attention to himself and to this product by founding a domestic science school at Worcester, Massachusetts, and by identifying himself with many other domestic science schools and movements which had for their object the improvement of the food and living conditions of the people. Mr. Heinz does not mean to advertise the "57 Varieties" in his identification with the larger affairs and interests of the Presbyterian Church, but, incidentally, he gave much favorable publicity to the house of Heinz. Philip D. Armour, the great packer, kept his name and the name of his house in the public mind by founding and maintaining Armour Institute, a technical school for young men.

When we get into the realm of politics we find even greater wealth of opportunity for attracting public attention to men and the business in which they are engaged. The muster-roll of manufacturers and merchants who have advertised their goods by attaining public distinction in political service is so long and scintillates

with so many brilliant names that it would be useless to try to exhaust it in a chapter of this length.

Many will argue, no doubt, that the advertising which accrues to a business through the personal distinction gained by the owner or principal stockholder in various lines of public activity is of an indirect character, while that which comes to a business or a commodity through the unique or unusual character of the factory or other kind of business is direct and hence of greater value. They will contend that the personal publicity given to the head of a business enterprise comes to the business itself or the commodity manufactured only in a reflex manner and hence bears little comparison so far as value is concerned with the publicity that comes through maintaining certain unique and unusual standards in the conduct of the business itself or through carrying on "welfare work" for the improvement of the employees.

While it is true that the public is prone to judge of a man's goods largely by his own personality and by what he is aiming to do or to accomplish in the world, thereby giving a definite advertising value to his acts and his public service, it is doubtless also true that what he does for his own employees and for his own house has a much more direct bearing upon the popular estimate of his commodities or goods.



IN OUR *internal relations, we began with and have followed a plan of simple democracy—a merit system, if you will—believing that thereby we could best develop and maintain the personal loyalty and zeal of officers and employees and foster the individual initiative.*

CYRUS H. McCORMICK,
President of the International Harvester Company

XI

BRINGING CUSTOMERS BACK TO BUY AGAIN

By Frederick W. Upham,
President of the Consumers Company of Chicago

HERE in our business we believe that getting customers to take a little more than a casual interest in our businesses is the best sort of way to attract them into coming again to trade. It is the most effective method for making good will active. And we have our doubts if we obtain half the benefit we expect from good will if we do not put this into practice. Competition is strong with most of us. The average customer is being urged by all manner of arguments and attractions to trade with the other fellow. It is expecting a lot of good will, I think, if we depend upon it to hold customers without giving it continuous strengthening assistance. Striving constantly to impress upon customers the personality behind the business affords good will an unusual opportunity to hold their accounts.

Assume that we have good will valued on our books at a million dollars, and that a driver of one of our coal wagons is impertinent to a customer. How much does he benefit our million-dollar good will under these circumstances, especially if a courteous driver for a competitor is working for the same trade? The fact that we give exceptional service, that our products are all that could be asked, is lost by the driver's thoughtlessness.

But if that same driver has been uniformly courteous, if he has established in the customer's mind through his own obliging personality the impression that the Consumers Company is a pleasant, pleasing personality with which to deal, there will be a different story. Our good will can make good; customers will come back regularly to buy.

We face a difficult problem when we set out to get more personal interest in our business from customers. We are a comparatively large concern, as businesses go, and our customers are scattered from one end of the city to the other.

Each yard, however, is in charge of a capable superintendent. We attempt to build up a favorable impression in the minds of our customers through these superintendents. We want each yard to be thought of as the Consumers Company: we want each superintendent to be thought of by customers as the Consumers Company—alive, breathing and anxious to serve.

A yard may be one of the suburbs, for example. We want our customers to consider that yard the Consumers Company, and not to worry about all the other yards and activities that go to make up our complete organization. When they have troubles or want unusual service, we hope that they will go to the superintendent of their yard feeling assured that they will get just as effective attention as if they walked into our main office.

We have these local superintendents join the improvement associations in their territories. We do this so that each of them without fail will take an active interest in the civic problems of his community. If the customers consider these men responsible for the handling of their trade with the Consumers Company—which is what we want them to consider—then they will feel that the Con-

sumers Company is taking an active and close interest in their local affairs.

We also try to have the personality of the business reach customers through our salesmen. Every now and then we talk with the salesmen. It is our hope that these talks will carry over to the salesmen at least a part of our attitude toward the business, and the attitude of the business toward us, so that when they talk with customers the management policies that guide us will be reflected.

> "PERSONALITY *and service from the president down to the office boys—that is the spirit which should actuate the entire business,"* *Mr. Upham declares.*

The task of obtaining a large amount of our retail ice business depends on the drivers of the ice wagons. Therefore, we pick these men carefully with a view to having their individualities build up in the homes a favorable personality for the Consumers Company.

If the drivers are pleasant and courteous and obliging, the housewives will think of the impression the drivers have made upon them when a competitor offers to supply them. They will say to themselves: "It has always been easy to get satisfaction from the Consumers Company." They will think just that, even though the driver is the only member of our organization they have met face to face. And they may also think to themselves: "I guess I'll continue to deal with the Consumers Company and not risk trying out this other company."

When they think that—and I am sure they often do, for we face all kinds of competition—then the personality of the driver holds a customer's trade. Of course, we must give good ice first of all, and we strive to give unusually good service—but all of that might be of no

avail if the driver made an unfavorable impression for us instead of a favorable one.

My angle on why customers come back consists of making good will active. I am frank to say that when this is not done, I fear that the values set on good will are nil.

Personality and service from the president, the order clerks, the salesmen, the teamsters, the office boys, from the entire force—that is the spirit which should actuate the entire business. Here we should be—and we are—trying to make it so. It is courtesy, promptness, service, treating our smallest customer as if he was our largest customer, and allowing not even the most casual order or complaint to be neglected.



IN ITS *best and broadest sense, success means the development of a man for service.*

And this development for service in the business world is dependent upon the control of the powers within us, upon the systematic application of our abilities and our energies, upon the development of personality.

Our energies may be wasted and our genius misdirected unless we can guide them to definite ends, unless we can use our forces to get specific results.

This organization and application of our powers is based on system.

JOHN V. FARWELL, SR.,
Founder of the John V. Farwell Company

XII

"HALF THE SECRET OF MONEY-MAKING"

By John North Willys,
President of the Willys-Overland Company

KEEPING one's business on an even keel is easily the most troublesome phase of commercial life. In brisk times the rub comes in pacing production with sales; in dull seasons, it is the sales end that causes the bother. Between these extremes are an endless number of other potential or actual complications that make for sleepless managers. Always a pressing and never quite solved puzzle, the rule of solution is easily stated: "Do not sell beyond production. Do not manufacture beyond the market's capacity."

All of which sounds delightfully easy. But who is going to decide the sales and the manufacturing? Will you keep always at the same level? I recall the story of an old Turkish dealer who, when he sold as much as he cared to in any day, absolutely refused further to do business on that day, referring all inquiries to one of his competitors. He had decided exactly on the balance in his business. But that is hardly the American way of trading. Here we want continually to build our business and at the same time to preserve the even, upright poise so essential to profitable manufacturing.

Continuous coordination of all the departments of one's business is half the secret of money making. It is the

enigma of the small business man and of the large business man. Not to solve it is to neglect that insidious profit destroyer—the overhead charge; while, on the other hand, devoting too much time to balancing may prevent advancement. The calculation is a delicate one and it is further complicated by being largely individual. No one can fix a single rule which will work in every business and no individual can fix an unchangeable rule for himself. The best that can be done is not only to be forehanded but also to be ready for an instant change if the best guess proves wrong; one who is sufficiently forehanded will never go far wrong.

But what does "keeping a business in balance" mean? I would define a perfectly balanced business as one in which every department exactly meets every other department—in which none was overworked and none was underworked. "Department" draws to mind a picture of a large business, but that is not necessarily the case; every business, regardless of size, is divided into departments, although the sectors may not be known by such imposing titles.

The country storekeeper is out of balance if he has a lot of old merchandise on his shelves—his rate of turnover is bad; the little machine shop is out of balance if a man waits for a turn at the drill press—production is uneven; the physician is out of balance if he has little ready cash and a list of debtors a yard long—his credit department needs jacking up. The individual working for himself is divided into selling, purchasing, manufacturing, and finance departments—and it will help him toward better business if he can visualize himself in these various functions even though the offices of all the departments may be contained in his breast pocket.

A big business may be better balanced than a small

business, for then specialists may be engaged to head departments and to offset the characteristics of the head of the business. Every man who founds a business puts his own self into that business and it will accordingly reflect his strength and his weakness.

One of the best salesmen that I know was a total failure when he decided to take on a manufacturing line—he sold without a thought of how he was going to fill the orders which he was so clever at obtaining. And I know a manufacturer who designed a staple product that was a triumph of constructive economy. But, in his engineering zeal, he quite forgot the public who were to buy—the public did not find the article so convenient to use as the manufacturer did to make, and therefore they did not buy and the maker failed.

The first step towards a better balanced business is self-analysis—put down your strong points and your weak points; you are certain to find that you are weak somewhere. If an analysis does not turn up weak elements, you want to give intensive study to whether or not you should continue in business; an even all-roundness in an individual is an all-round lack of strength—not all-round strength.

Having located the soft spots, one way is to bring up the weaker places and tone down the stronger, but a better way is to reinforce the weak parts. The result must be, by the very nature of humanity, a compromise.

WHY *it is usually easier to keep a big business in balance than a small one. How the public is "consulted" before production plans are made.*

I have said that a large business is easier to balance than a small business because better organization may be had, but it must be remembered that when a big concern

does go out of balance, a lot of damage is done. Practically all the cases that reach the bankruptcy courts are those of men who could not or would not comprehend balance. Old firms with a once splendid trade often fail from dry rot—from the notion that the business will run itself; young firms often go on the rocks because the enthusiastic organizers hunt only for business and neglect financing. The finest watch ever turned out by the most skilled craftsman is not more delicate than the mechanism of a highly developed business.

I have had my own troubles. I was first a salesman, and it was because I oversold my home factory that I became a manufacturer. I could not do business today with the crude ideas of balance that I had in my first days, for the margin of profit today is not so great as it then was. But I did start with an awesome dread of overhead expense and I think that dread caused me eventually to develop balance.

I have found that disastrous lack of balance is usually caused by lack of forehandedness—by not looking ahead at both the demand for the product and the ability to meet that demand. I consider the well-informed look forward as the first step toward balance. Size up the situation, then think over the mistakes of the past and finally plan ahead with enough leeway here and there to permit changes as conditions change.

I will sketch the process as used in my organization. It is on a large scale, the factors are all big—but they are factors common to all business. My methods may give an idea to the merchant or manufacturer who is not using such a broad canvas.

Financing, large or small, and business balance are intimately connected. Financing is a puzzle in balance. If ready money be scarce arrange your affairs so that the

money rate of turnover will be a rapid one, you can better afford to cut profits and even lost customers by a C. O. D. plan of finance than to accept orders for delivery on credit and then cripple yourself for further orders. If your business is properly balanced in your own mind, you will know just what you can do and just what you cannot do in the way of credit. Many impossible outlooks resolve into fairly simple affairs when the facts are laid out on the table and carefully studied.

But to go on with my plan.

Our first step towards the next year's business is taken during the summer when we decide upon the models and the output for the following year. It is a long process; here are the preliminary steps:

First we consult our agents, dealers, and traveling men for the wishes of the public; we—when I say "we" I mean the executives—have our own ideas as to what the public wants and what it will take, but we keep our minds open until all the reports are in. Suppose the agent in Boston says that a demand has arisen for a car which will be somewhere between the low-priced and the medium-priced car; he further says that something "snappy" in design is needed—a car that might be owned by the millionaire as well as by the man of moderate means, so that possession will not necessarily disclose the size of the owner's pocketbook. The dealer in Chicago has another suggestion which may or may not overlap Boston's; we hear also from Denver—from everybody in the field.

I cannot overstate the importance of first discovering what the public wants. Why manufacture if the public will not buy? You can not please the entire public, but you can please a large enough section to insure capacity sales.

We must please in both design and price; price is not, by itself, sufficient in our business. It might be possible for us to sell for a time with no other argument than price if that price were far below the market; but other dealers eventually meet us on price and then our business would go unless we had a further appeal. For instance, the making of a single model would permit many manufacturing savings and a correspondingly low price; I should like to make only one model. But I feel that a one model trade is evanescent; I must give my public models for every purse; then no man who is pleased with my car will graduate to another make merely because I have not given him anything "good enough."

When we sit down to discuss models we have information from everywhere; we take the data and then work out what we think is best. The data permit us to decide with knowledge. Keeping step for step with the public is intelligent, but keeping a half step ahead is good business. Lead your public. The big success comes to him who gives the public what it wants—not what it asks: there is a difference. When you know what the public wants, you will know the lead they will follow. Sometimes public sentiment should be polled only to discover what sort of a surprise will be welcome. The best planning of designs juts into the realm of imagination.

HOW *sales and production plans are coordinated. Is it wise to risk quality to gain speed in production? How proper balance does away with emergency methods.*

All of this is sales stuff; you are determining what will sell. Now for the balance portion. The car designs are only tentatively adopted and are then passed on to the engineering and production departments. The engineers decide what is good and what is not good from the points

of service and strength of materials; they try out this and they try out that; they discard features which might lead to trouble and substitute materials and parts solely with the thought of low cost-service—both in upkeep and operation. They pass on their result to the construction department, who again tear the design to bits with the idea of finding the best manufacturing methods; certain parts of the design may be at variance with good factory methods. The construction experts work and change until they have a machine which can be turned out economically.

The resulting design goes back to the selling end and then begins the season of compromises. No car will satisfy all departments; I make it a rule to compromise always in the direction of safety and permanency as against the demands for mere beauty or for low shop expense. But the result is a compromise.

Having settled upon the designs, we go back to the sales department to determine how many of each model can be sold and how many we can make. This involves an exact knowledge of the capacity of the plant, of the availability of materials, of deliveries and of the possibilities of plant extensions. Many of the men who took munitions contracts fell down because they thought of contracts only from the selling end; when they came to execution they found that they could obtain neither material nor machinery. In time of general shortage of material, the field from which you can draw must be charted with exact knowledge.

When the reasonably expected or in-hand orders far exceed plant capacity, you must decide whether it will be better to extend moderately and refuse some of the orders or to extend enough to fill all orders. "Moderate" is a comparative term; my own advice is to extend to a

point that will not involve financial straits but will take over that portion of the new orders which represents a normal increase. It is not good business to extend for every bulge in the market, for you will collapse when the market shrinks. At the same time do not be so conservative as to lose the cream of the trade.

But, on one point, I advise strongly. Do not contract so far beyond the plant capacity that operations must be slovenly done in order to get out the product. It is killing business to overspeed production—to risk quality.

Through all of the preliminary stages, we have a fairly accurate knowledge of costs but we have not an absolute knowledge. The costs are now calculated—the cost of each part in raw material, the labor charge to bring it to a finished product and the indirect or overhead charge. Accurate cost information is a prerequisite to the financial budget.

Having settled styles, times of delivery, costs and plant extensions, we are ready for finance. We know what we are going to make, how much it will cost and when we are going to deliver; thus we may plan our finances to avoid emergencies. The financial planning involves the extension of credit timed to bring money to hand when needed for payrolls, raw material or other charges. If you are operating on a limited capital the coincidence of income and outgo is paramount, but even when you are operating in a large way, it is very important to see that what is coming in lines up with what is going out. In a rising market it is well to consider the advisability of buying far ahead and having a bank carry the goods for you. Commodity prices, credits, bank facilities—all these and many other things should be settled at the time of the budget. No business is too small in volume and no business is so erratic that a fairly stable budget cannot be

sketched for at least six months ahead. We provide for the whole year.

Now we order materials; we estimate for the whole season's needs. This year we bought and took in stock about twice as much as is used—putting out some thirty millions of dollars. We were afraid to trust to ordinary contracts for supplies with the possibilities of slow deliveries. I think that under present war conditions it is better to contract for materials a long distance ahead than to depend upon market conditions; you might be able to buy more cheaply from time to time but, if you have based your prices on a certain price of material, the prospect of additional profit is not enough to warrant the risk of being short on material when the market goes against you.

The next step is to give each department its place in the schedule so that each head may know in advance just what is expected of him and may be ready. The schedules are on file with the production, purchasing, treasury, cost, accounting, sales, and advertising departments, while, of course, each executive has a copy. The departments have all had their fingers in making up the schedules in the first place, but the finished product goes back to them as a text book for the year.

The departments further subdivide the schedule. For instance, in the production the work is divided among the foremen so that each knows the amount and kind of product he is expected to have ready at any given time; he is responsible for living up to his portion of the schedule. This subdivision is not an easy task; when you consider that an average automobile will contain about three thousand, nine hundred parts and that the absence of a single part will throw out the whole assembly force,

you can realize that little of a haphazard nature is admitted in the scheduling of work.

Having now a standard to work with, it is possible to tell from day to day how that standard is being maintained. Each executive has a daily statement that shows him exactly what has been done on the previous day. The derelicts show up at once. We keep each department far enough ahead to avoid an instant complication in the whole organization if one should lag for a day or two. The sheet gives us warning where and when we may expect trouble and we are able to take steps to avoid it. Every good system of balance must include some method of warning; proper systems have nothing in common with inquests.

It will be seen that our whole system is designed to forewarn the organization so that no member will have a sudden and unexpected pile of work loaded on him. He will know when he is going to be dull and when he is going to be busy; and the aim is not only to prevent surprises but also to give as nearly an even volume of work as is possible. Trade exigencies will seldom permit an even volume, but proper balance will avoid emergency methods.



THE man who would be a success should cultivate his own personality—improve it as far as he can—study the manifold "ins" and "outs" of human nature. Only through such conduct can he fit himself for the job higher up.

SAMUEL MILES HASTINGS,
President of the Computing Scale Company of America

XIII

THE PUBLIC BE PLEASED

By Fletcher Halsted Sillick,
Controller of the Hudson and Manhattan Railroad Company

WE FOUND that we had to raise the fare from five cents to seven cents on part of our system. Every public service man knows what that means—newspaper scare-heads, public meetings, near-riots at the ticket offices, a disturbance of business for weeks, and perhaps months. Everybody curses the road. I cannot, offhand, think of anywhere I would less rather be than in a metropolitan transportation service which is adjusting its rates upwards.

Seven cents is an inconvenient sum to pay, and we found that we would have to collect that extra two cents in a most awkward way. Our system contained inland stations, which would permit passengers to board a seven-cent train without paying an extra fare. Therefore the only place to collect that extra fare was at the end of the ride; the passengers bought two-cent tickets which they dropped in boxes on the way out. Passengers do not like to be bothered with two collections.

Such was the situation. We could simply make the increase and say to the public, "Pay or walk." Some would have paid and some would have walked. Every one of them would have had an axe out for the company.

We decided to take the public into our confidence—we put the necessity for the raise up to them. The longer trip cost us more than we were getting for it; we had the

figures carefully and simply prepared to show why either the fare must be raised or the company's credit impaired; we also showed that the charges which we put against income were proper charges and not the interest upon fancy salaries or securities which had not gone into the property. This information was put before the public in advertisements in the newspapers, cars, and stations, and in little pamphlets which we handed out with the tickets.

We hoped for the best on the day that the new rate went into operation, but we expected trouble. We stationed men in every ticket office to answer questions and to settle arguments.

The day went by without a ripple; out of several hundred thousand passengers we had possibly a half dozen "kicks," and these were all from passengers who said that they had put their exit coupons in the boxes at the time of entering the trains. The agents quickly settled these complaints; it is a firm rule of the company always to give the patron the benefit of any reasonable doubt. It isn't worth while offending the man who honestly thinks he is right for the sake of catching a few crooks. Marshall Field found that rule one of his best aids.

It may be that other city railways have raised their rates without a tumult, but I do not know of another such case. I think our experience stands alone in the history of the business. And the reason that we could take more money from the customer and still keep him happy was that the customer knew we were doing our very best to serve him.

The public is always willing to pay the right price; the public will be square with you if you are square with it. That has been demonstrated time and again. Or, to put it in another way, if you are square with your customers, you will gain their "good will."

Being square with your patrons is giving them efficient, courteous service and not mere "public be pleased" cant; much of the propaganda of pleasing the public is not unlike the chatter of the green goods man who is lusciously lovely until the bargain is made—then his tone changes. Your attitude to your patrons must be sincere. If you are sincere and they know you are sincere, you will have their good will.

FROM *the beginning every effort was made in operating the Hudson tunnels to win the public's good will. How this policy was impressed upon the workers.*

"Good will"—in one sense of the term—is an "intangible" which the public service commissions say we must not capitalize. But the "good will" of the patrons of any public or private service is a very real and valuable asset even though it may not be reduced to dollars and cents and stated in the balance sheet.

Before the Hudson Tunnels were completed, and before a car wheel had turned, the value of the good will of the traveling public was recognized by the management, and a definite policy of gaining that good will was determined upon. Some wise old philosopher has said that "he has the most friends who is himself the best friend," and the operation of the Hudson Tunnels was inaugurated with a full understanding that the good will of our patrons had to be earned by a constant demonstration of the corporation's good will toward the public.

On the day previous to the opening of the Hudson Tunnel Service, William G. McAdoo, then the president of the company, made a brief address to the entire operating force in which he crystallized the policy of courtesy determined upon, and probably inaugurated the "public

be pleased" idea in the management of public service corporations.

Three factors are essential to the successful management of any corporation—pleased capital, pleased labor, and pleased patrons. The game is not well played when any one of these three is unhappy.

The service offered by the Hudson Tunnels is in a large degree competitive with what is unquestionably the best ferry service in the world, and it so happens that every steam railroad passenger arriving at one of the Jersey water-front terminals has "transportation equivalent" which entitles him to a free ride across the water, and in most cases a choice of routes by ferry.

To such passengers the service offered by the Hudson Tunnels is in the nature of a luxury, and it must be a superior service to justify the payment of what would appear to be an extra fare. Our service is superior to the ferry in speed, convenience and comfort, but these superiorities would be unavailing if they were attended by any discourtesy on the part of the company's employees.

Therefore we impress upon every employee the necessity of courtesy toward passengers; no matter how efficient a man may otherwise be, he is useless to us if he has a chronic grouch. Our employees are picked men. No applicant for a position in the Hudson Tunnels is considered available unless he presents a good appearance, gives evidence of his intelligence, produces a satisfactory record of his previous employment, and satisfies us that he will be decent under all possible conditions. Before such an applicant is given final employment he is put upon probation for ninety days. During this period he is expected to familiarize himself with our requirements and satisfy us that he can "make good."

Our book of rules is a rather voluminous affair made



From the rule book: "Treat people courteously, no matter how they treat you"



This picture illustrates an actual example of how courtesy can be used to build good will



Part of the "Public be Pleased" policy: "The public appreciates clean cars," Mr. Sillick declares. "We clean our cars three times a day, and more often if needed"



With a shoestring and a lot of hard work this man—John North Willys—built a $68,000,000 concern in nine years. He tells about his experiences in Chapter IV



Mr. Brown lets his employees "in on the ground floor." Based on book-values this stenographer has realized over $20,000 from an original investment of $500 (See Chapter VI)

up for the purpose of providing employees with a ready solution for any emergency which may arise—we train our men like soldiers—but the fundamental thought is that each man shall be trained to know that every situation may be met by keeping his head. Here are a few of the rules reduced to their essence:

> Treat people courteously, no matter how they treat you.
> Do not engage in unnecessary conversation with passengers.
> Do not address passengers before they enter into a conversation with you. You are not a public entertainer.
> Attend strictly to your duties.
> Answer all questions that are addressed to you; no matter if the questions seem foolish, give civil replies.
> Do not tell passengers to "step lively"; people step as lively as they can and it only irritates them to be yelled at.
> Do not push and crowd passengers in an attempt to make them hurry.
> Have some snap about you; don't go to sleep.
> Keep alive to the interests of both the public and the road.
> Do not argue or wrangle with anybody—passenger or employee.
> Be civil to your fellow employees.
> Be neat; have your cap on straight and your uniform clean and brushed.

It is one thing to have rules and another thing to have them put into practice. You cannot set a bale of rules before a man and call the result service. You must work with the man and the man must work with you.

Many a man thinks that keeping "mum" while a passenger is heaping all sorts of undeserved abuse on his head is a surrender of an inalienable right as an American citizen. Many otherwise excellent employees are oversensitive and grouchy—quick to resent an insult. When such a man comes in contact with a passenger who is looking for trouble, they quickly join forces and the combined troubles are passed up to the company.

If a rule is broken, the employee is not fined or suspended; he is brought before a "Discipline Committee"

composed of the heads of five department of our organization. The employee has his chance to be heard.

If the offense is slight or is a first offense, the employee is reprimanded; if the offense is graver, or if the man has been up for the same fault several times before, he is given the number of demerits which the case seems to warrant.

Sheet No. 570

HUDSON AND MANHATTAN RAILROAD COMPANY

Discipline Record of Geo. H. Murphy — Occupation Guard
Date of Appointment July 1, 1914 — Badge No. 1421
Transferred to Conductor — " " 782

Date	Synopsis of Case	To Demerit	To Merit	Balance
Oct. 1, 1915	3 months of perfect service		2	
Nov. 3, 1915	Complaint by passenger (Justified)	1		

Form I: This ledger watches conduct instead of dollars. Each employee has an account in which he is credited with merits and debited with demerits. Mr. Sillick says this system has proved helpful in the operation of the Hudson tunnels

The merit system has proved most successful with us in promoting good feeling and a sense of justice. As there are no fines or suspensions from duty without pay, the employees and their families do not suffer any financial loss. Each employee has a ledger account in which he is credited with merits and debited with demerits; it is his conduct account with the company.

Five merits are given for three months' service without a complaint. Extra merits are also given for special acts of heroism and for suggestions which improve the service of the company, as well as for commendatory letters or reports from patrons. On the opposite page of the ledger are entered the demerits, with the reason for each entry. We have a schedule of offenses and the demerits to be imposed for each offense—a kind of a penal code—but the "Discipline Committee" has discretionary powers and regulates the punishments according to the gravity of the misdeeds.

The most frequent infraction of the rules is failure to report for duty or tardiness in reporting for duty. If the employee can give a good reason why he did not report, and also why he did not notify his department in time that he would not report, he is excused. Where the excuse is flimsy or the offense is often repeated, demerits will be imposed. The demerit scale is always adapted to the case. Twenty demerits is a severe penalty.

When the ledger account of any employee has a balance of sixty demerits, he is automatically discharged. Many of our employees have never had a demerit.

Not long ago I happened to be traveling in one of our trains, the guard of which did not know me. I noticed a man with a traveling bag who was apparently going to the Manhattan Transfer station—the point where our line joins with the Pennsylvania Railroad Company. Arriving at an intermediate station, the guard made his announcement clearly (we insist upon understandable announcements—we do not tolerate a bawling guard). The passenger heard only the last few words of the announcement and started out to the platform. The guard asked him:

"Where are you going?" believing that the man was

getting off at the wrong station. The guard broke the conversation rule, but he broke it properly. We want our men to use discretion.

"None of your......business," came the gruff answer.

The guard did not slam the door and go on. He said calmly, "This is not the right station for the Pennsylvania."

"Hey, ain't it? Why, in......didn't you say so before; I wouldn't have lost my seat."

There were plenty of vacant seats in the car.

That particular passenger was too thick to know courtesy when he met it, but the incident helped with the other passengers. An employee who can bear insult with good natured tolerance is eighteen-carat gold to any company.

SOME *of the methods used to gain the esteem of the public. A sign that saved a threatening situation. Does the public appreciate good service?*

Courtesy alone is not enough to hold a customer's good will. He must also have service, but courtesy irons out many little kinks and helps everything to run smoothly. When time is not lost in wrangles, schedules are kept and the passenger gets his trains on the dot.

Our passengers have apparently come to regard the regular running of our trains as a part of the general scheme of nature. We have had very few accidents.

Some time ago an axle broke, derailing a car. In twelve minutes the trains not on that line were on schedule time again, but the derailed train completely blocked one of our most important routes.

We knew the damage could not be repaired in time to take the home-going rush-hour crowd. We were afraid

that the crowd would surge into the Hudson Terminal and, finding one line closed, would not only congest the whole station, but also prevent passengers from taking trains on the open lines.

We wanted to keep the crowd out of the station, and shunt them down to the ferry. They would be very much disgruntled if they had the long walk into the station only to find no train available. After some study we had great signs printed and hung over each entrance. The signs read:

> *"No trains to Hoboken. Take Lackawanna Ferry. Trains Running to All Other Points As Usual."*

We put a man at each entrance with a megaphone repeating what was on the sign. Beside him was another man in uniform to answer questions.

Now the real point of that sign was "Take Ferry." Those words caused the people to walk right on, take the ferries, and catch their trains. Instinctively they felt that we were anxious for them to go home—that we took an interest in them. When one enters a store and a salesman says: "We have not that article today, but I think you can get it at Blank's," we feel far more kindly toward the store than if he had merely told us he was out of the article and conveyed the impression that he didn't care if we never found what we wanted.

The block did not bring in a single complaint and we had no confusion in the station. We might easily have had a frightful jam with the chance of someone getting injured.

The public appreciates clean cars—we clean ours three times a day and more often if needed. The public likes personal attentions—such as clean washrooms, electric

sign announcers and a lot of little things which do not cost much and yet give large returns.

The public will show its appreciation by meeting you half way. Our crowds find the employees always calm and so they do not become excited in the rush hours. They load the trains quickly without fighting for seats.

And therefore we have a trivial bill for injuries to passengers and employees. We have not killed or seriously injured a single passenger among the three hundred and thirty million which we have carried in seven years. I think our policy of courtesy has brought about a condition of mind on the part of the passengers which has aided in the prevention of accidents and injuries; for many such may be traced to a loss of temper, due to discourtesy and wrangling.



PERSONALITY *implies something human. The only source from which a business can draw a personality is the human element in it, the men who are carrying on its activities. The men in an industrial organization must make the business a part of themselves and themselves an organic part of the business; they must put into their work their own personalities. Then the business will acquire a personality.*

CLARENCE M. WOOLLEY,
President of the American Radiator Company

XIV

HOW WE MADE FRIENDLINESS PAY

By Charles W. Dixon of Anderson-Dixon, retail clothiers
Transcribed by Florence May Swan

"MR. KELLY?"

I stepped forward to meet a short, round Irishman, middle-aged, just within the door. One of our customers had telephoned me that he was sending a newcomer at the works to get a suit.

As Mr. Kelly, the man responded to the greeting. What he wanted was a "best" suit, something spruce and spry, he said.

"Why, I know just what you want," I winked at him while taking off his coat. "You want a pinch-back coat and tight English trousers. Something to make the girls sit up and take notice, eh?"

He chuckled at the thought of himself in young men's extreme garments, yet protested that the "girls" would sit up and take notice in a very uncomplimentary way should he try to wear them.

"Well, we'll give them a treat, anyway." And I took from the rack a suit of conservative cut and modest cloth.

Before the mirror he twisted, turned, posed. He was some time about it, but that was the suit he bought.

Seven hundred per cent in four years—that is the increase in sales we can look back on since we started our store.

And all of it, or nearly all of it, we have come to believe, is the result of just such ways of sizing up and handling customers. Mr. Kelly is now one of our 1,700 patrons. One look at his ruddy, good-natured face, and I knew that "blarney" was the quickest and best way to his business friendship.

That is our aim, constantly, to bring about cordial relations with our customers. We are content to ascribe what success we have had (our turn-over is seven times a year) to one policy—friendliness in business. The method of bringing it about we suit to the individual.

Extreme cordiality and a little joshing worked very well with Mr. Kelly, but we had to approach Tony Barciewicz quite differently.

He was timid and evidently not given to much conversation, partly because he knows so little English; mostly, however, because he is a reticent nature.

"Not here very long?" This I put forth, rather offhandedly, after I had gained an idea of what to sell him.

Just three weeks, he told me in his broken way.

A few more queries of this sort, put carefully and at proper intervals, and we were friends.

Ours is a clothing store, catering to skilled factory operatives of an average type. Such a class of trade is rather flattered at the interest a merchant displays in its affairs. Many merchants strive in a number of ways for friendliness with customers, but when we saw its results in our first day's sales—they amounted to over two hundred dollars—we determined to carry the idea to a degree farther than perhaps nine-tenths of all merchants believe it should be carried.

Its value we learned while working—my partner and I—in a well established, local store, for ten years. We clerked, we stocked, we collected. While there we made

it a point not only to know a customer by name, but to acquaint ourselves with his interests as far as we could without offending him. Thus we could greet him by name and talk to him on things he cared about when he came in to see us. Today we do exactly the same thing.

TEMPERING *the talk to the customer has been a vital factor in building the personality of this business. How personality is maintained in advertising.*

Johnson and his family have bought of us since the beginning.

"Good morning, Johnson," I called out as he came into the store. "Hear the kid's getting along fine."

"Yep, great youngster!" Johnson is rather diffident, but he managed to say more than words in speaking of his latest.

"And how is Mrs. Johnson?" This from one of the women clerks, who came from the rear of the store.

"All right, thanks."

Rather ordinary conversation, I'll admit, but Johnson is the sort who likes attention for his family.

He didn't know just what he wanted. Something rather springy, he thought, and, most of all, something that would please the Missus. "She sure is fussy about my clothes," he said. "I don't much care as long as they are a decent fit, but I'd like to satisfy her."

"That's right," I agreed. "Leave it to Mrs. Johnson. She certainly has an eye for style."

Hadn't she, though? And her own clothes—I had no idea how little it cost her to dress so well.

I took from the rack a light gray, smartly cut suit.

"She knows how to dress the kids, too," I said, as I slipped the coat on him.

"Yes, they're pretty nice looking when they're cleaned up."

The coat hung like a sack on Johnson's queerly constructed frame. So interested was he in his conversation, however, that I believe he did not realize that I removed the coat before I had even fastened it, and had taken another from the rack, of the same style, but a better size for him.

And, cold-blooded though it may seem, here was one of the results of my intimate chat with him. Johnson had but the vaguest notion of what he wanted; mine the task to find something for him with a minimum of time and effort and thought on his part. My poor selection of a garment happened while his thoughts were on his family and I could make the change without attracting his full attention.

This incidently, is a hobby of ours—to be careful not to show a customer anything except what we think will help him make a comparatively quick choice. Nothing so tires a man and prevents his making a decision as a large, undesirable selection.

In the mirror Johnson, now giving undivided thought to the matter in hand, saw a pleasing reflection, and the suit became his without further seeking.

Not only our direct selling relations with our customers, we determined, should convey our homely philosophy of business—but also our advertising, our very store—its location, its fixtures and its arrangement—and even our collection methods.

Our first thought, then, was to find an expressive slogan. We hit upon "The Boys You Know." I think this slogan has become more widely known and more commonly used than our firm name. We use it every-

where—in our printed matter, in our advertising, in our store front, in our conversation.

To make our advertising ring true to this slogan is our constant endeavor. Some folks, when they first come to us, tell us how our advertising drew them. Others, of course, do not mention it, although I am convinced that many do come because of it. Enough, I know to warrant our taking space in two daily local papers once a week, preferably Friday. If I advertise men's clothes, I make a play for the sporting page, and I write my copy to suit.

However I may try to make my copy for men's garments unusual, when I come to advertise women's garments I find that the more conservative I make it the better it pulls. Conservative in copy, I should say, for I aim always to illustrate it with striking, fashionable designs. I simply reverse the process; in the men's copy I use conservative illustrations and an unusual story; in the women's extreme designs and the conventional in description.

When the person drawn to us by our advertising enters our store he finds that it is small, with the simplest of fixtures, and a minimum of them, too. The walls halfway to the ceiling are lined with racks, without doors or curtains. Garments are quickly taken from them and replaced as quickly, which is a decided advantage on a crowded Saturday night, you may be sure. The men's garments hang in the racks towards the front of the store. There is a three-ply mirror, a few chairs, and one chair for displaying the suit. Towards the center of the store is a table, on which women's garments are displayed. A little cage just back of it, along the wall, serves as the office and cashier's desk. In the women's section is the only ostentatious note—a built-in alcove, mirror-lined, for "trying on."

Fixtures, walls, and ceiling are painted white, and kept scrupulously clean and shining. Inverted bowls soften the glare of the lights. A deep red rug covers most of the floor. I am told that our store has an inviting look. Maybe so—certainly it carries out the friendly greeting of our slogan, "The Boys You Know."

IN *the smaller business should the "customer always be right?" What the following out of this somewhat arbitrary rule has meant to this business.*

We try, too, to prove our cordiality by the principle of the large department store—"The customer is always right." I have often been asked how we, with our comparatively small store, can afford to follow such an arbitrary rule. I believe we have never stopped to think of its dollars-and-cents significance. All I know is that, no matter how unfair a customer's claim may be, no matter how much we inwardly resent having to allow it, we have never regretted giving way before a fancied injustice.

One spring we found on our hands a white coat of excellent value, but considerably soiled through handling, from the previous season's stock. A capricious customer took a fancy to this coat. We sold it to her with the understanding that we would have it cleaned, and ready for wear on Easter morning. Anticipating our usual rush at that time, we altered the coat and sent it away for cleaning almost at once; no sooner had it returned than our changeable patron called up to tell us she did not want it. To our protests that we had gone to expense and trouble to satisfy her she paid no attention; she held the point that she had ordered the coat for Easter and we had hurried the alterations on it at our risk.

Back into stock went the coat. Several days later another woman customer selected it; fortunately it was a

satisfactory fit. But our troubles were not over. That very day our first patron called up to tell us she would take the coat, after all.

"What shall we do?" I turned to my partner with this question after the customer had hung up.

"Why, get another," was his seemingly simple solution.

We did. We searched everywhere to get a coat practically the duplicate of the one she had selected, but we found it.

It is unnecessary to make our point; had we told the woman of our disposal of the coat after we had argued with her over her unfairness in not living up to her bargain, she would have been suspicious of our honesty, if not resentful of our tactics.

Some fabrics some years, I admit, are anything but good wearing. The mills are sorry, the manufacturer is sorry, but we alone make good. And we do it without quibbling, too.

One woman had scarcely worn a coat when it started to wear out. Of course we gave her another coat. In the spring she came in with her husband to select his suit. The second coat, she said, had worn a little better than the first; not much, but although she felt she had not received value for it, we had been so quick to make good her first complaint that she had not wanted to make a second.

"Mrs. Brown," I said, "come in next winter and select any coat you want, and I'll let you have it at half price."

"But I don't want a new coat next year. I want to wear this one again—if I can."

I saw her point. Even at half price a new coat represented an unusual, possibly an unwarranted extravagance.

"Well, then"—a way out of it came to me—"suppose we let Mr. Brown have his suit for half price."

Our profit on the two transactions was pretty small. But Mr. and Mrs. Brown, I think, will be our good friends for some time to come.

Tied up rather closely with this idea of the customer "is always right" is our aim of "customer service," in concrete ways.

We try to be businesslike through all our activities, and we are seldom imposed upon. But we try always to have the friendly side of our business personality in contact with the customer. For we believe in friendliness in business.



A MAN *will be happier in his work if he knows that he is a real part of the concern, if he knows that he can spend all his working days with you without danger of an overnight discharge. We believe that our men deserve something from us over and above the wages we pay them, and that something is our own personal affection and interest. In return we get loyalty and good work.*

Frank Disston,
President of Henry Disston & Sons, Incorporated

PART II—PERSONALITIES THAT HAVE WON SUCCESS

Understanding Human Nature

THERE is one principle which a man must follow if he wishes to succeed, and that is to understand human nature. I am convinced by my own experience, and by that of others, that if there is any secret of success it lies in the ability to get another person's point of view and see things from his angle as well as from your own.

It makes no difference if a man works for another, or if he employs ten men or ten thousand, the success of his business will be in direct proportion to his understanding of human nature.

One of the first things that a man has to learn in business is how little he can do by himself. When he finds that out he begins to look around for people to do what he can't. He begins to study people, he begins to see that everyone has something good in him and he begins to cooperate with the good qualities in the people about him.

And the best way to understand human nature is to be friendly toward people. Everyone has some good in him and the man that has that attitude toward people will find their good qualities, and it's those qualities he wants to use in his business.

Henry Ford



HENRY FORD

President of the Ford Motor Company

XV

WHAT WE CAN LEARN FROM THE WINNING BUSINESS PERSONALITIES OF SUCCESSFUL MEN

By Samuel Miles Hastings,
President of the Computing Scale Company of America

WHICH of these methods do you think is the most effective teacher: a vivid example of how a man succeeded at a job, or a colorless set of rules for conducting that job? Ordinarily, in my opinion, lessons learned from the careers of successful men have in them much more of potential value for business help and inspiration than a mere recital of facts—as, for instance, that persistence will win, or that pluck will carry you through.

It seems to be a universal personal characteristic to want to take all the credit to ourselves for whatever measure of success we have attained. "I'm a self-made man" is a common expression. But how often is it literally true? To illustrate, when I was a boy in a small town I knew a merchant who, I am sure, was one of the principal factors in my early business education. He wasn't particularly attractive to the eye; sometimes he wore shabby clothes; but he was a success. There was a charm in his personality, once you became acquainted with him, which explained his success. He was honest, tactful, determined, and courageous, and he impressed

those qualities upon me and all who knew him. My observation of his personality constitutes a lesson which has contributed in no small measure to my business success.

In my opinion, observation, intelligent observation, is one of the vital factors in every successful man's career. I was fortunate enough, early in my business life, to come into contact with many successful men—bankers, merchants, salesmen. I owe much to this contact. Not only did I get many concrete, proved plans from them for conducting my business, but I also secured—absorbed almost unconsciously—the fundamentals that go to make up success. And sometimes those fundamentals are difficult to learn in any other way.

But there is a mistake which is easy to make as a result of observing the personal successes of others. That is the mistake of copying, without rhyme or reason, the specific form of the methods that have made this or that man a success. There is a sharp distinction between copying and adapting. The functional idea, the principle, is the lesson to learn from a study of a winning personality. The details of a plan or method which have helped to build a success for a manager, or a salesman, or whatever he is, may not succeed in each and every case. But the underlying principle will almost invariably be of help.

I think it is always well to remember that no one person has a monopoly on originality. It follows, therefore, that no matter how well endowed we are in creative ability still we can learn much from the experience of others, take much of value from the personalities that have made American business. Such men almost invariably will be found to have the faculty of adapting, getting the best from other men and other methods as they go

along, fitting it advantageously into their own lives, businesses and careers.

It may be well here to speak a word of caution about overenthusiasm, as an example of one of the valuable lessons I learned directly from a big business personality. A number of years ago I was on a ship returning from England. George B. Swift, the packer, was also a passenger. I stood by his side on deck as the ship, the old City of New York, came into New York harbor. The band was playing the national anthem as they ran up the Stars and Stripes at the masthead and the scene and surroundings thrilled me through and through. Mr. Swift, however, seemed quite unconcerned.

"Doesn't this sort of a return thrill you?" I asked.

"No," he replied. "You must remember that this is about the two-hundredth time I have crossed the ocean, and besides, my enthusiasm has been tempered by experience. You will find it the same in business, my boy. Experience will teach you to cut down on that enthusiasm which sometimes blinds our eyes to vital miscalculations."

Now, of course, Mr. Swift didn't object to my display of patriotism. He simply seized the opportunity to drive home to me, a younger man, that overenthusiasm was sometimes disastrous. I took the lesson from a great business man to heart and it has saved me worry and dollars.

WHY *care should be used in adapting from winning business personalities. How the careers of successful smaller business men may point valuable lessons.*

This same warning applies somewhat to the adapting of what we learn from winning business personalities. We cannot all be Schwabs or Vanderlips or Simpsons. And we cannot wisely attempt to follow blindly in their

paths. But we can all get much of help, much of inspiration, from their personalities, much which will go to form a basis for some plan, some method which we can build into our own, individual careers.

Most of us, if we will only look carefully about, will find that successful personality is not by any means confined to names which appear almost daily in the metropolitan newspapers. In our own communities we can probably find men whose personalities, upon analysis, will show qualities which it will pay us to study. What about the banker in your town? Or the dry goods merchant? Perhaps the banker's career will furnish a good example of the reward of thrift, or that of the merchant of the wisdom of keeping up with modern business methods.

Methods of conducting business have altered greatly in the last few years and men have changed with them. Business no longer goes on behind locked doors. Intelligent observation has taught that this policy pays in dividends of public favor. Is there not a lesson here?

Another mighty lesson we can learn from almost any successful personality is the fact that dreams—business visions—have a very real cash value, and the lack of them sometimes involves just as real a cash penalty. Successful men look ahead. What is good practice today may be obsolete tomorrow. We must keep abreast of the times or the column will soon be far ahead. As good an example of business foresight as any I know is that of the rapidity with which Charles M. Schwab seized the opportunity to secure contracts for the providing of munitions of war at the beginning of the world war. His plants were at work upon these contracts before many fully realized the opportunity at hand.

One point which has impressed me strongly in my

dealings with business men has been the fact that few big executives have, in their offices, any appearance of haste, flurry, or worry. They are too well organized. This may, I think, point a lesson to those who perhaps have wondered how to get away from the usually ill-advised pressure of trivial detail. They may well pause and ask: "Is there not something wrong in our organization of the work?" Often it will be found that too much time is being devoted to comparatively unimportant details to the neglect of more important tasks.

WHY *lessons from the lives of winners in business cannot be gained without thought and study. An example of how Mr. Hastings gained through keen observation.*

But the lessons which come from observation of business personalities that have won cannot be gained without intelligent thought and study. Ten thousand words about a man who has made $10.000,000 are, in the final analysis, but 10,000 words if from them the reader does not draw some helpful conclusion or inspiration. Hours of conversation with a master business personality are equally valueless if it is merely conversation for conversation's sake alone. There must be something gained or it is all practically time wasted.

Here is an example of how reading and remembering and thinking about what I read helped in a practical way. This happened when I was conducting a retail store in a small Illinois town. The newspapers had but recently printed an account of an important business conference, at which the conferees were nearly all strangers to each other, and had commented upon the "few, tactful words" with which Harlow M. Higinbotham, then a partner of Marshall Field's, put them at their ease.

I was head over heels in work one morning when three traveling men, representing the three largest Chicago wholesale houses, came into the store almost simultaneously. I wanted to see them all and the situation to me, at the time, was a trifle embarrassing. I remembered the account of Mr. Higinbotham's "few, tactful words."

I left my customer for a moment and going to the men quickly introduced them, remarking: "I want to see all you gentlemen, and I will probably buy something if goods and prices are right. But don't form a combine to force up prices."

One of these men said to me afterward: "Hastings, that little introduction was certainly made in well-chosen words. I didn't expect it from a country merchant."

That was, you may consider, but a trivial affair. But I needed the good will of those three traveling men—for credit reasons I am frank to say.

There is but little excuse today for the man who neglects to keep himself informed as to the newest methods of doing business and the achievements of our business leaders, for there is a well-defined business literature. But, as I have attempted to explain all along, care must be taken that the right viewpoint is obtained—the ability gained to analyze a career or a method for the fundamental principles upon which it is based.



THE *day of friendship in business is not over; there never was so much friendship in business as there is today. But it is the friendship, not of having a good time together, but of confidence.*

H. E. Locke,
President of H. E. Locke & Company, Incorporated

XVI

PERSISTENCY

IF lists of the success-bringing characteristics of a dozen business leaders were made, no doubt persistency would appear on every one. Of course, circumstances have combined in some cases to bring a display of persistency more strongly to the front, but through every successful business personality, whether in plain view or not, will be found running a vein of stubborn determination to win—ability to keep steadily after the desired end until it is attained.

To be sure, we all recognize that there is a difference between stubbornness and persistency. It might be said that stubbornness is persistency wrongly applied. And all the persistency in the world may be of no avail if it turns into mere stubbornness through the following of wrong ideals or the setting up of false standards.

Many times, you will observe, successful men apparently had come to a blind alley—a blocked path—in the carrying out of their most cherished plans. Defeat seemed inevitable. Remedy after remedy presented itself to fast-thinking minds, was analyzed, perhaps tried, then discarded as ineffective. Did these men give up the fight—hoist the white flag of business surrender—or did they stand sternly to the task until a remedy which would work was found?

Business is full of instances where, at the eleventh hour, apparent defeat was turned into splendid victory simply because some man refused to acknowledge that he

was beaten, kept steadily thrusting ahead until the way was clear.

This quality of persistence, keeping the goal always in view until it is reached, is exemplified in the careers of John R. Simpson, William Wrigley, Jr., and Frank E. Fehlman.

JOHN R. SIMPSON: *It wasn't very long after he went to work for the Wm. Filene's Sons Company before John R. Simpson "took a fling" at opportunity in a "blind alley" job, and thereby won the vice-presidency of the big store. His career is an excellent example of the rewards of persistency, plus initiative and adaptability.*

The attentive will find here one answer to the question: "Why do some men get ahead while others apparently stand still?"

Scene: The washroom of the Federal Express.

Time: Near Christmas of 1905.

Place: Shortly before arrival at Washington.

Characters: J. R. Simpson, a young department store executive searching for $25,000 or more in crisp new bills; a little elderly man not entirely dressed—under shirt of gray flannel; and other travelers.

Simpson happened to have the basin next to the man in the gray flannel undershirt. The long mirror over the wash-stands reflected above the everyday shirt a kindly, elderly face that persisted in being distinctive even while exceedingly sleepy. At first noticing these characteristics only casually, Simpson suddenly began intently to study his neighbor's features. A name—a very important name—flashed through his mind in connection with them. By the time the flannel undershirt disappeared under a conventional coat, waistcoat, collar, shirt

and tie, Simpson was sure the important name and the little man—now undoubtedly distinctive—belonged together.

This conclusion held all-important possibilities, for if it was true the little gentleman controlled more new, crisp bills than any other man in the United States. Simpson followed him into the diner, and when he lighted a comfortable cigar after a generous breakfast, decided his chances were brightest.

"You are Leslie Shaw, secretary of the treasury, aren't you?" Simpson asked. Anxiety to substantiate his conclusions robbed the question of all the formalities he had carefully planned.

"Yes," replied the secretary, with a questioning smile at the anxious youngster who had shot the interrogation toward him with the determination of a forlorn hope.

"It's simply providential to me that you are—maybe," the explanation began. "You see, I'm J. R. Simpson, with the Wm. Filene's Sons Company of Boston. We sell clothing and for years have made a feature of giving only new money as change. Now Christmas is coming with a big trade and we're short of new money. The boss has put it up to me to get some."

"Won't your bankers take care of you?"

"They would if they could, Mr. Shaw. But they are not going to have enough themselves. When I told Mr. Filene that he said: 'We have been giving new money as change for years. We can't fall down now. You're responsible and it's up to you.'

"Then I had them give me a certified check for $25,000 and secured a letter to one of our senators. I showed these to Mr. Filene and announced that I was going to Washington, since it's the headquarters for new money.

" 'It'll do you no good,' he declared.

" 'Well, you're holding me responsible and I have to take the best chance I see,' I answered. So that's why I'm here, Mr. Secretary. I'm a green young Westerner just out of the bush and I need that money to make good. You're a Westerner, too, and I don't think I make any mistake in appealing to you, now that I've encountered you through this rather remarkable coincidence."

The secretary liked Simpson's appearance and the stick-to-it-iveness indicated by his straightforward story.

"You evidently do not know that at the treasury certified checks are not good for new money," he said. "But come around to my office at eleven and we'll see what we can do for you. You must have old money in order to get new money."

Next Simpson made a mistake. He went to see the Washington correspondent of one of the Boston banks which handled Filene deposits. During the conversation he remarked that the secretary of the treasury was tc see him at eleven to arrange for the new money. The correspondent mentioned that he had been unable to secure new currency himself, but gave no other indication of unusual interest in Simpson's appointment.

Still when Simpson arrived at the waiting room off the secretary's office, the correspondent was already there! Knowing that as a result of talking too freely his rival was about to ask for corresponding favors, Simpson quickly cornered the darky attendant.

"Has that man's card gone in?" he asked.

"Yes, sah."

"Here's a dollar. Just put this card of mine on top."

The darky earned his dollar. The secretary of the treasury received Simpson first. An assistant secretary was called and the situation explained. Simpson trebled

his intentions—he asked for seventy-five thousand dollars.

"See that Mr. Simpson gets his $75,000," instructed the secretary of the treasury as the conference closed.

Simpson was next told that he must have $75,000 in old bills shipped at once, get them destroyed and present a certificate attesting to the facts. He called Boston on the long distance. There two banks worked clerks in double shifts until $75,000 in old bills were ready for shipment to Simpson.

That was a Saturday. Monday the money arrived at the treasury. Stimulated by the secretary's instructions, the officials speeded up the details. Tuesday found Simpson back in Boston with $75,000 worth of new currency.

The new currency incident gives a pretty accurate indication of the whys and wherefores back of Simpson's rapid advancement to vice-president of the Wm. Filene's Sons Company—the largest retail institution of its kind in the world. He does not let obstacles dampen his enthusiasm. He makes good.

Simpson started out to be a lawyer, after graduating from Miami University in '99. He worked in the accounting departments of the Western Electric Company daytimes; evenings he took the night courses of the Chicago College of Law.

After three years of this, Simpson decided that in his opinion the lawyer is the man on the side lines, the binder up of the wounded, the adviser on questions of strategy. Simpson desired a place on the scrimmage line where the fight surged hottest.

So when one of the Filenes concluded he wanted to lay down the accounting and financial reins, Fate promptly brought another of the Filenes and Simpson into contact. Mr. Filene decided Simpson was a profitable investment and brought him to Boston. The legal

profession lost a good man that day, the new profession of business gained a strong executive.

Now we have Simpson learning the financial end of the Filene business from E. A. Filene. Today he is merchandise manager and vice-president.

Here is how this peculiar line of advancement came about—a good man goes to the big job, no matter what the route. E. A. Filene decided temporarily to guide the merchandising policies of the Filene store personally until a satisfactory executive could be located for the task.

"I'm going into the merchandise office for a while until we get a man," Mr. Filene announced. "I'll need Simpson—largely on the figure side. There is no chance, no hope, of his becoming merchandise manager, of course."

Simpson pointed out that this proposal involved his giving up a position carrying a seat on the Board of Managers for a temporary job with prospects that were openly declared slim by the president of the firm. Mr. Filene retorted that he could not see how the new job would work out favorably, but that everyone with confidence in the future of the business should be ready to take chances.

So Simpson got a man for his old job and took the chance. Possibly he knew one of E. A. Filene's most pronounced characteristics, but that's neither here nor there—he took the chance.

All one summer E. A. Filene and Simpson diligently worked on merchandising. There was no hint to Simpson that Mr. Filene's predictions about the future of the new work were not materializing. Then Mr. Filene decided to go around the world.

Next an incident occurred which illustrates the Filene characteristic that Simpson possibly—just possibly, mind

you—may have recalled when he agreed to gamble on the supposedly futureless job. A few days before Mr. Filene left on his tour, without a word of warning to Simpson this order was issued:

> SUBJECT: Appointment of Managers.
> Mr. J. R. Simpson has been appointed merchandise manager. Mr. E. J. Frost has been appointed record manager.
> Please make these changes in your respective pyramids.

Such is the reward of fighting your darnedest on the job that is put up to you, with a the-future-be-hanged determination to win out. Since then, like the fairy-story heroes, Simpson "has lived happy ever after." We know him well enough by now to assume the established fact that he has made good as merchandise manager. He is todày a vice-president of the Wm. Filene's Sons Company.

As a retailer Simpson—the man, first of law, then of figures—succeeds because he brings to his work high ideals backed by the sort of indefatigable determination indicated by the incidents of the new money and the "futureless" job. He searched down to the fundamentals of merchandising. He thought straight. He thought clear through his problems. He found out how to handle men.

WILLIAM WRIGLEY, JR.: *You get the thrill that comes with the mention of money in million-dollar units and the world as a selling territory when you read of the career of William Wrigley, Jr., the chewing gum manufacturer. He started with $32 and built a business that schedules assets of more than $13,000,000.*

Back of the Wrigley success, underlying it, is a static something which might be called untiring energy, persistence, or self-confidence. "Application" is the word that Mr. Wrigley gives it.

He is a young man of fifty-odd; it is hard to tell even approximately how old he is. It is enough that he has an almost boyish face and the impetuous enthusiasm and frankness of thirty. He has worked hard; hard as a strong man can work, but his has been always the widening prospect and his confidence has discounted the hours that must have come at times when black seemed blackest.

"Thirty-two dollars when I landed in Chicago; that's all I had." It is a simple statement of fact; there is no reference to the hardships of the struggle. "Today? Well, I guess the business is worth about thirteen million dollars, and there isn't a bond or a mortgage. No, what's more, that thirty-two dollars is the only new money I ever put in; it earned the rest."

It is not the purpose of this article to retell the story of those early days—how he started with chewing gum as a free inducement for dealers to buy a line of lamps he was jobbing; how gum seemed to go, and the young jobber promptly put his cart before the horse and offered premiums as an inducement to buy gum; how a great premium business was developed; how advertising began and grew until today the Wrigley Spear is the familiar sign for gum from Dan to Beersheba.

What it is intended to tell is of that impression of untiring energy, stick-at-itness and level-headedness that fills his personality; the sublime confidence in success, the ignoring of possible limitations, the humorously frank acknowledgment of an occasional wallop that caught him fair and square.

"What is your saturation point; the possible limit of gum consumption?"

"There isn't any I can see," he answered, "the limit we saw ten years ago has been passed ten times over;



JOHN R. SIMPSON

Vice-President of the William Filene's Sons Company



WILLIAM WRIGLEY, JR.

President of the William Wrigley, Jr., Company



FRANK E. FEHLMAN

Service Director and part owner of
Fruhauf Brothers and Company

we've stopped guessing and doubled our capacity. Every so often we meet the certain increase in business.

The talk turned to the foreign market; with a smile—a smile that is persistent throughout his conversation, he told of his effort to Americanize England by sheer Yankee force. It had seemed to him a simple advertising proposition, and he had placarded England from corner to corner.

"But I scared them. Had to do it all over again—their way, slowly. Well, it took two years, but last month our sales in England equalled last year's."

Somehow the amusing thought seemed to linger in his mind that tight, conservative little England had refused to be advertised into Spearmint the Wrigley way.

"And the dinky little country is only seven hundred miles from end to end," he added.

There's the self-confidence and determination. To William Wrigley, Jr., every set of teeth on this spinning globe is an ultimate consumer, that logically belongs to him. If they do not know his product, advertising will educate them.

"Japan is a big market for us—uses lots of it; more all the time." He tossed a package of gum across the table. Beside the familiar green spear and signature were a scrawl of Japanese characters. "And here's the French. Every country in the world—every one. Not a ship sails from New York without some cases—lots of them—in the hold.

"What did it? Well, work did it, and then some! Application! Day and night! Every day, every night! Nobody had to ask how we were doing—nobody needed to look up our credit; all they had to do was to watch the lights every night in the offices; the goods going out

of the factory—success breeds confidence, just as business breeds business."

Briefly he sketched the history of his advertising. Brute force was his motto; tremendous brute force that demanded attention. Far removed from psychological deductions of space or copy, he had poured his millions carefully and intelligently into his great publicity campaign with the job idea to dominate the selected territory by every medium, in every place, every waking hour.

The tremendous power instantly to grasp whatever situation might arise has enabled him to pass on with startling rapidity from the modest jobber of trivial wares to a merchant prince, whose product finds its place throughout the length and breadth of all the world.

In a parting epigram he summed it all:

"A man can go ahead and do anything so long as he doesn't know he can't do it."

FRANK E. FEHLMAN: *From a snare drummer to a high executive position, and all in a half-score years, may sound like fiction, but, nevertheless, as much—and more—is hard fact in the career of Fehlman. And, granted the ability, it is doubtful if he would have risen to this high position had he lacked the dogged will to win.*

Not many years ago F. E. Fehlman, a snare drummer in a little theater at Joliet, Illinois, decided it was in him to do more than pound a drum. He set out forthwith to become a salesman.

He took up a course of study at once. He roomed with another snare drummer. This roommate and some of the other musicians at the theater laughed at his determination to study selling methods. They called him "The fellow with the little books." But Fehlman stuck to his guns.

Finally the day came for putting some of his lessons to the test. He was to endeavor to sell his own services as a piano tuner. So bright and early on this day he started out with his head full of the lessons on salesmanship, his heart full of ambition to get on in the world. From door to door he went, ringing bell after bell.

Doggedly he persisted. Refusal followed refusal. Finally it got on toward noon. Totally discouraged, he was about to go back to his snare drum. He had failed to make a sale.

Then—here you see the very turning point in a man's life, the very moment which decided that the world was to have one less snare drummer and one more successful business man—then those lessons rushed into his brain, commanded his attention and drove discouragement to cover. "Haven't we told you," they warned, "that you must always call on just so many, no matter what happens? You know that you have not yet called on the full number of prospects. But here you are about to quit. You are not living up to our instructions. No wonder you are in danger of failing. There are two more houses up this street. Go call at them. You have no right to quit until you at least do that."

Fehlman obeyed. He went back up the hill he had been about to descend in utter discouragement, up to the two houses.

You have guessed already what happened. Fehlman made a sale at both of the houses. Down the hill he came, whistling. And why shouldn't he have whistled? He was a new Fehlman—Fehlman the successful, Fehlman the man who could fight himself out of the rut. He was going ahead now, going to win, going to make a name for himself. Every successful man can recall similar moments.

Fehlman says that in the months that followed he rang every door bell in Joliet, excepting those belonging to miners and puddlers. One day, in the course of his work, he made a discovery. It occurred to him that when he handled an interview this way he usually made a sale:

The Prospect (Fehlman has rung the bell): "Good morning."

Fehlman: "Good morning. Have you a piano?"

The Prospect: "Yes." (If the prospect does not own a piano, Fehlman asks her if she intends to buy one and if there are any children in the household. He obtains valuable lists from the answers.)

Fehlman: "What kind?"

The Prospect: "Why, I really don't know, though we've had it fourteen years or more."

Fehlman: "A Glassoway, a Superior, a Mertel, a Superb?" (He mentions several makes of the less expensive pianos, but finds it wise always to end with one of the most expensive pianos on the market, so as to cause the prospect to feel that he believes she can afford the best.) "No? Well, let's take a look and see what kind it really is." (The prospect and Fehlman go to the piano. Fehlman plays a waltz on the black keys and usually has little difficulty in convincing the prospect that the piano needs tuning.)

Fehlman tested this sales approach thoroughly. It proved so successful that he standardized it and used it exclusively. His sales immediately increased and touched new records.

After Fehlman had exhausted Joliet as a market for piano tuning, he took to selling pianos. When the piano

business in turn fell off, he decided to take up entirely different work.

The ambition to improve himself which had taken root that day he tried the last two houses and made his first sales was still vigorous. He had concluded that the sales methods used by the business men in small cities could be bettered. So he studied advertising.

The day after he finished these new studies he opened an advertising agency in Springfield, Illinois. He offered his services to the local dealers.

Fehlman had secured office space with the publisher of a swine breeder's paper. This man soon wanted him on his staff. Fehlman decided Springfield was too small for him, however, and inserted a one-inch advertisement about himself in a newspaper.

The next day he was offered a job with a Toledo agency over the long distance telephone. So he went to Toledo. But the Springfield publisher did not forget him, and finally persuaded him to come back to his office to handle advertising and promotion work.

Just one incident out of Fehlman's work for this publisher before we see how he came to go into the corset business. This incident has to do with a 480-acre wheat farm which Fehlman was instructed to sell.

This farm is near Adams, Nebraska. Fehlman went to Adams and thoroughly studied the situation. The local experts declared conditions unfavorable. They predicted that Fehlman could not get more than an average price of seventy dollars an acre for the farm. Nevertheless, Fehlman sold the entire farm within three and a half weeks. He secured an average price of ninety-six dollars an acre.

Here is how he did it. Since there was nothing interesting about the farm to advertise, he advertised the town

of Adams. He advertised its churches, its mill, its elevator, and a number of other advantages it hardly knew it owned.

He stated that the farm would be cut into eighty-acre tracts and sold at public auction on a certain day. He offered a chicken dinner to all who came to his sale. Far and wide in the vicinity of Adams he advertised these plans.

As the day of the sale drew near Adams took on new life. Fehlman's advertisements of its good points had awakened its pride in itself. The streets were cleaned. Five of the business houses were freshly painted.

The sale itself will probably not be forgotten in Adams for many a day. Fehlman erected a big tent on the main street of Adams. It was crowded until it bulged.

Everybody turned out in time to hear the first bid made. Only the soda and confectionery stores remained open.

Prospects came from as far as one hundred and fifty miles away. But every acre was sold to citizens of Adams. This was exactly as Fehlman had planned. He knew the local men wanted the land held in Adams and he figured that the presence of possible purchasers from other points, drawn to the sale by his advertising campaign, would spur them to offering good prices.

So much for an illustration of Fehlman's selling ability. All that remains to the story is his entrance into the corset business.

A good deal of the advertising carried by the paper for which he worked was paid for in swine. In order to turn his revenue from these advertisements into dollars, Fehlman had to sell the swine.

So he frequently conducted sales of swine. H. W. Gossard raises swine on one of the three farms which

take most of his spare time. Gossard looked like a good prospect to Fehlman and he got him to go out to one of his sales.

Fehlman warned Gossard against buying some swine which he knew were not a good buy. Perhaps Gossard remembered this. Perhaps Fehlman's head and chin were of the type that interests Gossard when he hires men. Perhaps he had learned more of Fehlman's record than Fehlman thought.

At any rate. Gossard asked Fehlman about his plans. Fehlman replied that he was "going to break into Chicago and New York some day."

"Come and see me when you do," Gossard requested.

Thus it came about that when Fehlman received an offer from a large real estate house that would have brought him to Chicago, he dropped in to see Gossard. He mentioned the new offer.

"Wouldn't you rather come up here with us?"

"Yes. When do you want me to start?"

And so the Joliet snare drummer got his chance with the sales end of a big business. Soon he was Gossard's advertising manager. And it wasn't very long after this before he was elected vice-president of the H. W. Gossard Company. And now he has gone to New York to take a financial interest in, and become Service Director of Fruhauf Brothers and Company.



ALL of our efforts to get the organization working right tend to build up a business personality based on "employee good will" and "labor good will." That is, employees will prefer to work with you. And "labor good will" is worth money.

GEORGE M. BROWN,
President of the General Roofing Manufacturing Company

XVII

VISION

ONLY a short time ago, as time is measured, a young man was spending as many hours as he could from the work necessary to his livelihood, in a poorly-equipped sort of machine shop, housed in a shed on the outskirts of Detroit.

Strange sounds came from the interior of that shed—mysterious coughings and sputterings, somewhat akin to the sounds of a rheumatic pump. People who knew the man in the old shed—most of them—were inclined to laugh when his name was mentioned.

The man was Henry Ford. He was working on his first automobile. And he not only had inventive genius, but he also had the ability to look ahead, to visualize the world's highways crowded with motor-driven vehicles, to see that factory, farm, store, and office someday would come, in some measure at least, to depend on the new method of transportation.

Thus it always has been. Some men there are, in every age, who possess vision, and who stand out of the run of their fellows because of its possession. Such men as Morse, Edison, Field, Carnegie, and Rockefeller can be cited as excellent examples of the type which finds time to dream and look ahead to greater achievements.

Take Gossard, the corset maker. His business began in one small loft. Today it encircles the world. He had the vision to see that there was a demand, and that there would be a far greater one, for his commodity.

This ability to stand, mentally, upon a mountain peak,

and cast an observing eye over a panorama of the times which are to come, with their changes, new demands, and improvements, seems to be one of the outstanding characteristics of business leaders. For example, witness the careers of Anton H. Classen and H. W. Gossard.

ANTON H. CLASSEN: *He is a power in Oklahoma City because eight years ago he realized that the street railway system was far from adequate, and forthwith proceeded to build one which was adequate. His personal success is a tribute to his ability to cast an eye into the future, as the people of Oklahoma City will testify.*

In 1909, Oklahoma City was badly in need of a street railway. Her sixty thousand people had walked until their patience was gone. So, builders of street railways—capitalists, engineers and construction gangs—were brought from east and north into the city. They made a half-hearted effort to get the work under way, but somehow it lacked enough impetus to keep going.

Thus it came about that the sixty thousand people were still walking, when Anton H. Classen took Oklahoma City's need in hand. Classen had watched Oklahoma City grow, and he is by nature a man who sees how big things may be woven out of the intangible future. He had faith in the city.

So he threw himself and his resources into the work of building the street railway. It was a large order, even to get down the necessary tracks. And after they were laid and cars were running, Classen still had to borrow money for some months merely to pay operating expenses. But in the end his faith was justified. Extensions were made, traffic began to improve, and the sixty thousand people who had walked in Oklahoma City made Classen's road pay dividends.

It was characteristic of Classen that he built his road with an eye on the future. From the first, even when dollars were scarcer than hen's teeth, he planned to have track construction that would stand the test of years, cars of the latest model, power houses and substations ample for today's needs, and designed in such a way as to make expansion for tomorrow easy.

Result? Oklahoma City's street railway system is not excelled in any city of twice the size in this country.

It is also characteristic of Classen that he should look into the future and see lines of unsuspected growth. Years ago, when the city had not yet begun to spread out and take new land into its boundaries, Classen had faith that the boom time would soon come. And he invested all the money he had been able to save in land located as close to the city limits as he could get it. He advised his friends to do the same, but they only laughed at him for contributing—as they said—to the support of farmers who had homesteaded the acres he was buying.

Classen followed his own ideas, regardless. He platted his close-in property, graded the streets, planted trees and Bermuda grass, laid sidewalks—and made all these improvements with the same substantial care that he later used in building his street railway.

Shortly, Oklahoma City began to grow rapidly. More building lots were needed and Classen's first addition was the most attractive spot available. Friends who two or three years before had good-naturedly "joshed" Classen about throwing his money away, gladly paid him as much for a small building lot as he had paid for an entire acre of farm land. That was the reward of foresight.

Classen is a type of the best kind of public-spirited private business man. In the early days of Oklahoma

City he started the movement resulting in the organization of a chamber of commerce. He was elected its first president and served in that office for three consecutive terms. He has never failed to answer a call for help from any commercial or civic organization of his city that needs him.

In the management of his street railway, Classen makes it a point of policy to help the city grow. Instead of waiting for new districts to be built up to a point where a car line would at once pay its way, he extends his lines first, and the traffic soon follows. The Oklahoma Railway Company is one of the big factors in the growth of Oklahoma City into a splendid residential city.

Classen was born in Illinois and graduated from the law department of the University of Michigan. But he has always been a believer in the soil as the foundation of all prosperity. On one occasion each student in his university class was instructed to write an essay on what and where the best opportunity existed for members of the class when they left school. Classen wrote about the possibilities in going west, homesteading land, and growing up with the country.

Promptly on graduation he practiced his preaching, forgetting his education in the law. First in North Dakota, then in Oklahoma, he came in on the ground floor when new lands opened to settlers.

So it was natural that, watching and helping in the upbuilding of Oklahoma City, he should have taken care that plenty of breathing spaces in the shape of parks and playgrounds were left. Everywhere on his own property where a park could be suitably built, he has placed one. On different occasions he has presented to the city, free of cost, beauty spots which fit in with the general system of parks and boulevards.

Classen is a genial man. His door is always open. He likes to hear a joke or a story, and he can tell one. He believes in plenty of exercise and sport along with plenty of hard work. He plays golf. But the sport he enjoys most of all is swimming in his own lake at Belle Isle.

H. W. GOSSARD: ***Since 1890 H. W. Gossard, to speak figuratively, constantly has had his eye glued to a telescope. That telescope was business vision and its possession has enabled him to keep just far enough ahead of the times to insure getting the new ideas and business first—which is usually much easier said than done.***

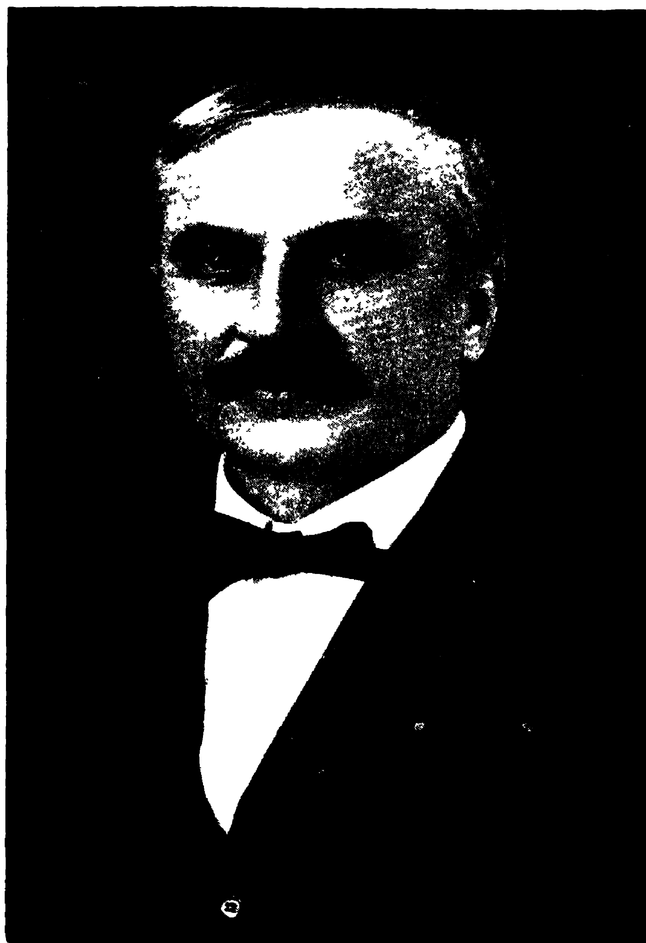
Here is how H. W. Gossard found his big idea and with it built up a business that now has two thousand workers on its payroll.

He was then a partner in a dressmakers' supply house. His work took him to Europe frequently. In Paris, during one of these trips abroad, he heard of his big idea.

He saw its value at once. Day after day he searched for the maker who controlled it. Finally he found her—a countess, an artist, a painter—and the manufacturer of the idea into an attractive product was her friend, the leading dressmaker of Paris.

He secured exclusive American selling rights. He now had his big idea within his grasp. A front-lacing corset was to be sold in America. An announcement that men's coats were to button in the back would not have been more startling, as corsets up to that time had uniformly laced at the back.

That is how Mr. Gossard came to make corsets—and that is also the start of the real growth of the H. W. Gossard Company, with its two thousand workers; with its seven factories; with its big building overlooking Chicago's lake front; and with its selling agencies scattered the world over.



ANTON H. CLASSEN

President of the Oklahoma Railway Company



H. W. GOSSARD

President of the H. W. Gossard Company

This corset was Gossard's big idea, but not by any means his first or last idea. Back in 1890 you would have found him in Indianapolis, buying for a retail store. "Salary," five a week. A chance postcard inquiring for a salesman took him to Chicago, armed with a helpful letter of recommendation.

One of Gossard's minor ideas is that a suitable atmosphere should set off every important action. So when he arrived in Chicago he went to the hotel which in those days meant most to the city and prepared his letter for presentation by enclosing it in one of this hotel's envelopes.

He got his job and worked the Chicago trade until he decided to go on the road with a line of dressmakers' trimmings. Soon he saw a chance to capitalize his experience. He had an idea that he could make a success of a dressmakers' supply house.

Gossard quickly succeeded in starting this new business. But it takes money to get the best results from ideas. Gossard had more ideas in those days than dollars.

So he kept a weather eye out for capital. And when one of his customers, a proprietor of a dry goods store, mentioned that he had received four thousand dollars from an insurance policy, Gossard lost no time "selling" some of his ideas. The merchant liked the ideas and the present H. W. Gossard Company resulted.

It was a few years after this that Gossard ran across his big idea in Paris. A small space in the corner of the loft occupied by the dressmakers' supply business was at once turned into a corset department.

The growth of Gossard's corset idea from this corner, until it eliminated the dressmakers' supply house and became a great national business, was not as smooth sailing as it probably sounds in the telling. First of all,

there were important market problems to be solved. Corsets ranging in price from one to two dollars each were then sold over the counters like so much calico. Corsets were rarely sold at higher prices. Gossard named his new corset "L'Irresistible" and priced it at twenty-five dollars.

Obviously new methods of distribution would have to be used for selling such a corset. Gossard turned to the six or seven hundred dressmakers who were customers for his trimmings. He knew that they were closer to ultimate purchasers of corsets than clerks in stores.

This plan succeeded and the new corset secured a footing. Once it was in actual use, the conventional wholesale and retail distributive channels quickly opened to it and Gossard gradually brought together a complete selling organization. His prices finally ranged from $60 to $2.

There is not much more to the story of Gossard's big idea. The business grew and is still growing. Australia has been supporting Gossard's agencies in all its large cities since 1913. He has a store of his own in Buenos Aires and you would find his corsets selling there for as high as one hundred and twenty-five dollars each. He also owns and operates retail stores in Chicago. Since the summer of 1914 there has been a Gossard stock on sale in one of the best stores in Paris—Paris where, you will remember, his big idea came from originally. This practically amounts to carrying coals to Newcastle and making money on the transaction. London, too, has its own supply of Gossard's products.

You can find Gossard himself almost any working day at a big desk on the eighth floor of the Gossard building in Chicago. His office faces Lake Michigan. He has only

to wheel about in his desk chair to enjoy the best view Chicago boasts.

Before breakfast you might find him on Fifty-third Street in Chicago, going along at a rapid clip in riding clothes. He would be returning from his morning ride in Chicago's famous South Parks. He believes in plenty of exercise and keeps eleven horses in his stables for his department heads.

The attention he gives to physical fitness probably explains several of his interests and habits. He does not eat any luncheon. Instead, he takes a half hour's walk in the middle of the day.

Gossard also believes in young men. No one can enter his business who is older than he—forty-five years. He has surrounded himself with a group of energetic young executives who think that H. W. Gossard is about right and that the combined markets of the world are going to turn out to be far too small for the H. W. Gossard Company.

Still another belief of Gossard's is that a woman is worth any two men when it comes to selling certain lines. He might qualify this a bit, and add, since he has elaborate plans for training saleswomen to sell his products unusually well, that the woman should be trained the Gossard way.

His customers are invited to have their organizations represented at a training school which he maintains in Chicago. A week's course at the school carries with it a diploma attesting that instruction has been received in the best fitting and sales methods the Gossard organization has been able to discover.

The school does not stop with telling about the Gossard lines. It teaches the general principles that underlie successful merchandising in any line. Here, for example,

are the titles of some of the lectures: "Turnovers;" "Sales and Advertising;" and "Stockkeeping." Books about business which have the approval of those in charge of the school are bought in quantities and resold at cost to the classes. The school's calendar is arranged according to states.

Some of us may think the idea of awarding a diploma from this school a little elaborate. These two paragraphs from a letter written to the Gossard organization by a corsetiere who got one is rather conclusive proof to the contrary:

> "This is too rich to keep. Some corsetieres have been rather timid as to hanging their diploma in their fitting room. I am proud of mine and have it hanging in plain view. A short time ago the plumber was called to attend to the radiator in my fitting room, and while he was in the fitting room, he read my diploma. A few days passed and the plumber's wife called at my counter, asking to be fitted to a Gossard corset, stating that her husband had advised her to go to Loeb & Hene's to get the Gossard corset, because they had a graduate corsetiere, who had a diploma from the Gossard Training School in Chicago.
>
> "I say it pays to have a diploma in the fitting room, as I sold a $10 model on the strength of it."

Evidence that the school's general work is appreciated by Gossard's customers is demonstrated by many instances of increased sales. One merchant, for example, stated that his corsetiere increased his corset business fifty per cent within two months after she returned from the school and started to apply the methods she learned there.

Gossard also has ideas of his own about hiring and firing. If a man half tries, Gossard never fires him. He goes on the principle that if a man is good enough to get on his payroll, he is probably good enough to hold down some job.

So if a man falls down after a three months' trial, he

is transferred. And if he continues to fail, Gossard continues to transfer him until there is no place left to transfer him to except outdoors. Gossard's failures just naturally transfer themselves out of jobs.

In hiring, Gossard lays heavy weight on an analysis of a man's appearance. Let him tell you himself about some of his ideas on hiring: "I usually know whether a man is our grade or not the moment he comes in the door. His head particularly interests me, and his mouth. Out of five or six, I usually make but one mistake.

"With women—surely it's only intuition that we have to go by. You take a grab into a bag and say: 'Here, you're coming with us—we'll give you a try.' But with men it's different—a man tells of himself every moment."



WE PUT *our idea of personality among our men by instilling into them the fact that, while they are part of the great whole, the work of each counts in the total and counts for the individual—each man's work is a link of a chain, but we watch and give credit for each link as well as for the whole chain; and every link must be perfect if the chain is to be good.*

WILLIAM A. FIELD,
Vice-President of the United Alloys Steel Corporation

XVIII

PLUCK

"THE farmer snatched the ragged blankets off the 'bound' boy and basted him on the bare hide until he screamed for mercy. When the farmer's arm was tired he threw the boy out on the floor. . . . Charley got his cap and jacket and ran away."

That is the way Charles W. Nash, head of the Nash Motors Company, started his business career. Not an auspicious beginning, you will agree, but Nash arrived; his native pluck brought him through to a big business of his own.

Of course, it is not essential to success that there be exposure to hardship and disappointment so severe that unusual courage is required to overcome them. But, somehow, many of those who possess high position seem to have had to come through a fiery ordeal which tested resolution to the uttermost. That they survived is at once a testimonial both to their courage and endurance.

J. Leonard Replogle, the steel man, started in business life as a messenger boy for the Cambria Steel Works, shortly after two members of his family, as well as the family possessions had been lost in the Johnstown flood. "It was a race against hunger, those early years," he says. But the Replogle pluck—aided by the Replogle smile—overcame the obstacle and he landed at "the top of the heap."

The term "pluck" embraces moral courage as well. It is sometimes difficult to get big business men to speak of

the tests to which this quality was put—how they resisted impulses toward foolish expenditures, or dissipation, or how they stood fast against the gibes of less well-advised associates—but their success proved that they did.

There are vivid example of what sheer pluck can accomplish to be found in the careers of James Logan and Charles W. Nash.

JAMES LOGAN: *His struggle from obscurity up to the heights of business ought to be heartening to those who may be inclined to falter at discouragement. Few big business men have been forced to weather storms of adversity more severe, and few have breasted the tide with surer, stronger strokes, or more courageous heart.*

When poverty and hunger drove a poor Scotch immigrant named Logan out of the homeland, he spent seven weeks in the steerage of a sailing vessel on a diet of oatmeal and potatoes, and finally landed with his wife and four children in this land of privilege and opportunity at Castle Garden, New York, in 1852. One of the sons—his name was James—was then just three months old.

Before this son was quite ten years of age he began to earn his daily bread working in a woolen mill from five in the morning until seven at night. Was this luck?

In the early '60s the mills of New England and other eastern states were largely dependent on water wheels for power. The day of the steam engine for small mills had not yet arrived. This meant, when the water supply was short, much broken time.

It so happened that the mill in which this boy worked was near the village school, taught by a girl of sixteen who was inspired with a high ideal of service. She suggested to a group of half a dozen boys that they use this broken time when the mills were not running for study.

As she brought her dinner, she said she would hear them recite at the noon hour.

They all began with enthusiasm, but one after another stopped. Was it luck or choice that this one boy continued until, at the end of two years, he was six months in advance of the boys and girls who had attended school all the time, while he was working in the mill from 5 A. M. to 7 P. M.?

When working in the mill in his eleventh year Logan met with an accident that broke his arm in three places and almost tore it off at the wrist. So he started life with a handicap, and usually it fell to his lot to do a girl's work in the mill. Was this luck?

He worked in the mill until his sixteenth year and then sickness took him out of it for about a year. Acting on the suggestion of his teacher, who early recognized his love for figures, during his convalescence he learned to keep books. Was this luck or choice?

After he learned to keep books the question was, where could he find employment? He was inclined to be delicate, small of stature, not yet having reached his growth —"a slip of a boy"—and was refused employment at a number of places because he "was not big enough;" and when he finally did secure employment he had to have a stool built so that he could get up to his desk. Was it luck that he was a little fellow?

He finally found employment in a dry goods store at $150 for the first year, with the privilege of sleeping in the store on the counter. Thus he served as watchman and saved room rent; and by keeping another set of books in a grocery store in the evening he managed to live. Was this luck?

After about two years Logan returned as bookkeeper to the mill in which he had formerly worked and re-

mained there until the month before he was twenty-one years old. Then he had a disagreement with the superintendent and left. On the following day he was offered another position as bookkeeper in a book store, an offer which he accepted.

As the bookkeeping required only part of his time, he asked permission to work in the store, thus using his leisure to become a salesman and learn the business. He did not ask for more pay; instead, he asked for more work. Was this luck or choice?

At the end of a year he had developed as a salesman to such a degree that his employer suggested devoting all his time to that part of the business.

He then asked permission to go out on the road to solicit business, and his request was granted. He became a traveling salesman—not a drummer—and remained a salesman until the end of his twenty-sixth year, when he was receiving for his services $75 a month.

At this point misfortune overtook the firm that employed him. It failed, not because it had not made money, but because it had not made enough to stand the drafts of the partners.

At this point the senior partner asked for a statement of the business, which was given him, the result of five years' business being condensed on two sheets of letter paper. Armed with that statement the senior partner went to an old friend connected with a large and growing industry and asked for a loan. He wanted to take up some bank obligations that would be likely to cause the firm trouble.

When this old friend saw the statement he asked who prepared it. When he was told, he said, "You send Logan to me and tell him to talk to me as frankly as he would to you." Was it luck that gave this young man

the ability to prepare a statement that attracted the attention of one of the keenest business men of New England?

At this conference all the details of the business were discussed and as a result the money was advanced. About a month later Logan was asked to attend another conference, at which he was offered a position with this large and growing firm; but he was reminded that his services would not command $75 a month, that he would have to work for less until he had made himself worth more. He was told he could expect, in the new position, $700 for the first year and $800 for the second year. Logan placed the proposition before five older friends for their advice. Four of them said, "Don't go, they are hard men to work for;" the fifth man was noncommittal.

This young man was practically engaged to be married and not only wanted but needed the extra $200 which the new job would not give him. But after consulting with his wife-to-be he accepted the offer, setting over against present loss the hope of future gain in the larger field of opportunity. Was that luck or choice?

He worked all his waking hours for the company, giving to it every ounce of energy he had without ever receiving one word of appreciation. But on the other hand, never during the four and one-half years of his employment can he call to mind but one time when he was criticised. He was told by other men in the employ of the company how many kinds of a fool he was to do anything for which he was not paid, but he knew then what so many young men fail to appreciate now, that before he could get more he must demonstrate that he was worth more; and that was the correct sequence.

For his third year Logan received $1,000 and for his fourth year $1,200, and by that time he was in effect

managing the business. But he never was given the title of manager, and during his stern apprenticeship he was treated as an underling. Still he was learning valuable lessons.

For the fifth year (he was then thirty-one years of age) he asked for a salary of $2,000, this being the bait which was held out to him when he accepted the position. His employers had told him when they hired him that they had already hired nine different men and had not found the right man. To three of those men they had agreed to pay a salary of $2,000 if they made good, but none of them had. They had told him also that if he filled the bill he would be well paid.

The proprietors agreed that he had filled the bill and had shown ability, for which they took all credit because they had given him the opportunity. But they would pay no such salary and expressed surprise that such a sum should even be suggested. While they had indeed agreed to pay that amount to the other men—who had not made good—these other men had been hired from other cities.

Logan was calmly reminded that there were scores of local men who would be glad to take the position at fifteen dollars a week; and being a local man he was not expected to command the salary of one who came from another city, even though he rendered the service and made good when others had failed!

The young man could afford to be independent. He had just received an offer of $3,000 to go to a competitor. He had declined the offer without even mentioning it to his employers, believing that he would some day be appreciated by them at full value. Was it luck that he turned down an offer of $3,000 when he was receiving only $1,200?

He was finally offered five dollars a day for all working days of the year. That is, his time was not to be set off for public holidays. But as a part of the agreement they insisted that if he were not on duty between seven A. M. and six P. M., his time should be still set off by the hour. It mattered not how many hours he worked after six o'clock—and he had never known when midnight came if work needed to be done. All the extra time counted for nothing.

Logan now saw plainly, however, that he could never come into his own with that firm. So he made his plans to go into business on his own account, and in 1883 he started his business. In four short months this man, who had been considered worth only five dollars a day, and whose time was set off by the hour, had grown in value so much that he received a proposition to return and take an interest in the business. With the salary, the offer meant practically three times what he had been receiving. Was the receipt of an offer like this luck?

He returned to the old firm. When he had burned his bridges behind him, however, they made an attempt to change the agreement, which resulted in a second break. This time when he left he took with him some of the other important men who—like himself—had been large factors in the success of the business. Was that luck?

The mills of the gods grind slowly, but eventually the grist is ground. Fifteen years later the era of consolidation arrived. The company which this young man and his partners had formed was by then the recognized leader in the industry and in a class by itself. The company from which they had been graduated was in the class of those "who also ran." Was this luck?

Logan, now in active middle life, became the vice-president and general manager of the consolidation,

which was composed of ten of the leading envelope companies.

Was it luck that he thus came back to direct the corporation in which he had served his apprenticeship and whose $3,000 offer he had declined years before?

He has grown with the years. From his father Logan inherited a love of books and has always been a great reader, and five years in the book store were to him more than a college education is to most men.

He has always been willing to render public service and has served his city four terms as mayor. He is known as a writer and speaker on industrial and economic subjects. He is heard with appreciation by colleges and commercial organizations all over the country. He has received honorary degrees and has declined the presidency of one of the highest engineering schools in the country. Was it luck?

CHARLES W. NASH: *It takes more than ability to surmount the obstacles Charles W. Nash encountered in his rise to the ownership of a great automobile concern. Minus his courage, his ability might have taken him only into the class of fairly successful men, instead of a place among leaders of big business.*

Near Flushing, Michigan, half a dozen years after the Civil War, a farmer had a "slave." He was a "bound boy" six years old. The little fellow was a helpless orphan who had been "bound out" to get rid of him.

The bound boy chopped wood with an axe that was longer than he was and lugged pails of water that weighed more than he did, fed the cattle, made the fires, weeded the garden, washed the dishes, carried the swill to the hogs and the skim milk to the calves, tended the chickens and did all the chores a boy can do between daylight and dark and slept on a shuck tick up under

the leaky shingles. And when he didn't split the wood right or spilled the water the farmer would thrash him.

In the winter, according to his indentures, he went to the district school twelve weeks. It gets mighty cold up in Michigan. The little fellow fought his way three miles through drifts that were over his head sometimes, his hands frostbitten in his ragged mittens, his feet aching in his worn boots. He was so miserable that he didn't know how miserable he was. He, no doubt, ignorantly supposed that there were boys in the world that were worse off. Probably the farmer was not intentionally brutal or neglectful, but who cares anything for a bound boy? This boy picked up his habits of speech from the roughest kind of laborers. When he was ten years old he cursed and damned and blasphemed every time he opened his mouth out of the hearing of his master.

At the beginning of his fifth winter of this life the boy was awakened one Sunday morning at daybreak by the farmer yelling from his bed for the boy to get up and make the fires.

"All right," said the boy. He tried to draw himself into a knot to get warm for a second and fell asleep again.

In about five minutes the farmer leaped out of bed, grabbed one of his wife's gaiters and waltzed up the steps to the attic in which the bound boy slept. Country women in Michigan in those days wore in the winter long, heavy gaiters with straps and buckles and buttons as heavy as bullets. The farmer snatched the ragged blankets off the bound boy and basted him on the bare hide with the gaiter until he screamed for mercy. When the farmer's arm was tired and he was warmed through by the exercise he threw the boy out on the floor.

Charley got into his clothes, hobbled down and made

the fire and then limped across the road and hid in the wood lot until the farmer and his family went to church. They were very religious people. The boy stayed in the wood lot, whimpering and nursing his aches and bruises until the coast was clear. Then he slipped back across the road, got his cap and jacket and ran away.

In Flint, Michigan, the runaway thought it was safe to stop. The farmer never tried to get him back. A carpenter took pity on the boy and gave him a chance to work for his board and seven dollars a month and learn the trade. He went through his apprenticeship but didn't get work and became a farm hand because he had to do something. After several years at farm labor a hay-pressing gang came along and he went to work for them. This lasted a few years and then he drifted back to farm labor. When he was twenty he got married. Three children came and because his wife wasn't strong enough to stand farm life he moved into Flint and went to work as a grocery clerk. He was then twenty-eight years old. Pretty soon he got a chance to earn a little more money by taking a job in a carriage painting shop.

So far this sounds like a typical history of an average, drifting, ordinary working man. The ex-bound boy stuck to the carriage factory until the automobile business lured him away. After considerable experience in various plants he landed in Kenosha, Wisconsin, at the Nash Motors works, formerly the great Jeffery automobile factory.

One day recently he happened to be called into consultation with a number of the chiefs and responsible heads of the works.

It was a well-dressed group, university men most of them, polished, alert, keen, with the bearing of success and power. The ex-bound boy stood among them in a

brown suit spotted with oil stains, machine grease smeared over his thick stubby hands and square wrists, a black smudge on the side of his nose, a stubble of black beard on his strong jaws and a blob of steel cutting compound on his shoe. He looked like a thoroughly capable foreman and anyone would have said without hesitation that the miserable, forlorn little farm drudge had raised himself to a very fine position and was probably getting good wages and was trusted by his employers.

The well-dressed chiefs consulted him with noticeable respect and they were right to do so for they were all his subordinates and he was the boss and employer of every man of them. Charley, the bound boy, had become C. W. Nash who a few months before had resigned the presidency of the General Motors Company and has bought the Jeffery plant for a consideration of more millions than Charley had possessed pennies.

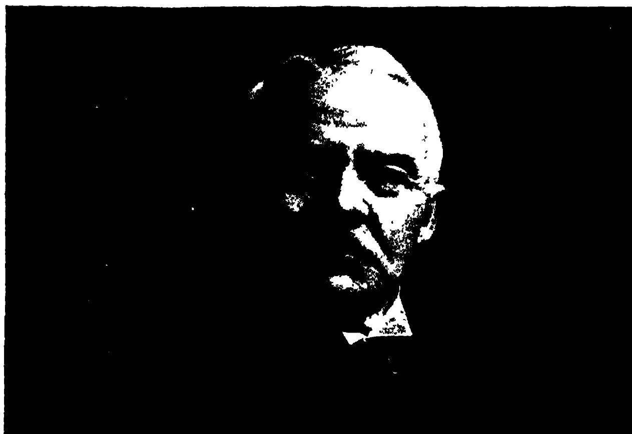
It is as a manager of production that Nash has made his mark in the world of finance and manufacture. The first fact that stands out in his career is that when he was eighteen years old and a farm laborer he had a man under him. He has had men under him ever since. It was chance only that prevented Nash from being a big farm owner: the only time chance ever entered his life. If Mrs. Nash had been rugged enough to thrive on farm life Nash never would have taken a job in the Flint Road Cart Company's painting shop.

In six months Nash was foreman of the shop. Ordinarily speaking it would seem as if he had just about found his level, even conceding that he had considerable ability. He was thirty years old, he had been married ten years and had three children to raise. He had no book education whatever. He was a ruddy, hearty, jovial, square shouldered, muscular, shop boss, well liked by



CHARLES W. NASH

President of the Nash Motors Company



JAMES LOGAN

Chairman of the Board and General Manager of the United States Envelope Company



JOHN J. SPURGEON

Executive Editor of the Philadelphia Public Ledger



THOMAS R. PRESTON

President of the Hamilton National Bank of Chattanooga

his superiors on account of his ability to get work turned out fast.

But Nash had a restless demon in him, and he had at last got into his element in a place where there was room ahead. He grabbed off one responsibilty after another. The carriage factory became the Durant-Dort company, one of the biggest makers of vehicles in America. Nash introduced the system of routing work through the shops on a straight line. He introduced the rule of having all material and parts carried through on wheels. He invented service boxes that stood on runners like sleds and trucks that could be slipped under them. He had the faculty of organizing shop work. The man with the job just ahead of Nash must have led an all-fired uncomfortable life in those days.

Nash became vice-president and general manager of the company. The principal reason, apparently, that caused him to leave it was that he had two men over him and couldn't very well get rid of them because they owned the business.

"Now, Charley," said J. Dallas Dort, who had hired Nash from behind the grocery counter. "What do you wish to quit for? What could you have anywhere that you haven't got here? Does anybody ever try to contradict you about anything? You run the whole business."

"I've got as far as I can get here," replied Nash. "I'm still growing. It's time for me to leave. I'm going to tackle the automobile business."

Nash had arranged to take the assistant general managership of the General Motors company but instead took charge of the Buick company then in difficulties. In two years he took the presidency of General Motors, after having put the Buick company on a firm footing. Under Nash, General Motors finished 1916 with a twenty-nine

million dollar surplus. Then Nash found himself in a position to buy the Jeffery plant and put his own name on the stack and have no one over him.

Rather good for a man who forty years ago was stumbling over the frozen ruts of a Michigan road, a runaway bound boy, sobbing with the pain of the cuts and bruises of a terrific thrashing.



A PERSONALITY *is responsible for the success or failure of a business firm largely to the extent by which he is enabled to organize and to control its force—to install and apply the personal influence in his systems.*

I have never known of a great business success without a personality. I have never known of a great personality without a system.

HENRY C. LYTTON,
President of Henry C. Lytton & Sons, Chicago

XIX

TACT

NOTHING but firing would do for the man at No. 1 machine. The foreman of the factory was sure of this. The worker was "lying down" on the job, was grouchy, and he infected the other men with the same spirit.

The superintendent, when the case was called to his attention, was not so sure that the foreman's was the right or only remedy. The operative had been a valuable worker. The superintendent called the recreant into his office.

"Joe," he said, "some of the beginners are not doing as well with the work as they should. I want you to take hold and teach them how to do it right. I'm counting on you all the way."

The man went back to his work and the situation was saved. The manager's tact in handling men was responsible. If the worker had been fired his value to the company would have ended, of course, and a sharp reproof would probably only have resulted in his quitting.

A star salesman for a big corporation began to fall down on his job. His orders dropped off until they approached the minus quantity. The sales manager knew, of course, that something was wrong, but he had no complaint from the salesman. Finally he ordered the man into the home office.

When the salesman appeared he had his little boy, a child of six or so, with him. One glance at the father's face and the manager saw that he was very angry.

With nothing but a short greeting to the parent, therefore, he began playing with the boy. Soon the little fellow was screaming with laughter. It wasn't long before the father's face relaxed and then the difficulty, a minor one, was soon straightened out. But minor or not it might have lost the company a valuable producer but for the manager's delicate handling.

This quality of "getting along" with others is found well developed in the careers of John J. Spurgeon and Thomas R. Preston.

JOHN J. SPURGEON: *Most of us will agree that the newspaper business is mainly one of dealing with people, and that tact is a big factor in such a business. Possibly his tact was the principal reason why John J. Spurgeon—who began at the bottom—was selected for what has been termed "the best newspaper job in America."*

If, during the year succeeding the purchase of the Philadelphia Public Ledger by Cyrus H. K. Curtis, any man in daily journalism in the United States had been asked to name the best job possibly to be had in the business, the rejoinder would have been instant:

"The editorship of the Ledger."

And every man who answered, certain as he might be, privately, that he carried a marshal's baton in his knapsack, would have felt a shiver of apprehension, caused perhaps by modesty, at the bare thought of the job devolving on him.

For the Public Ledger, the latest great interprise to be taken over by the founder of The Ladies' Home Journal, The Saturday Evening Post and The Country Gentleman, is as yet as much in the making as if it did not boast more than a year of the hoary antiquity which goes back to the young manhood of the late George W. Childs.

And the history of Mr. Curtis in journalism has often paralleled that of President Lincoln during the earlier period of the Civil War: chiefs have come and chiefs have gone, overwhelmed in spite of every help their Big Chief could give them, not merely by the magnitude of the tasks they've tackled, but by the imperious necessity which every one of those tasks has presented for basic originality in editorial acumen. Mere shrewdness, mere cleverness, mere industry—none of these has ever sufficed. But always, after a while, the right man did come along; then you could no more part Cyrus H. K. Curtis from that man than the cabals that raged in Washington could part Lincoln from Grant. And that right man didn't need a banner and a band to enable Mr. Curtis to identify him: the great publisher could see his d'Artagnans even further away, and mixed in more indiscriminate melees, than Lincoln saw his Grant. And every one of them has found a man's sized job to wrestle with, when he took over his command.

So it's not at all surprising that when the name of the new executive editor of the Ledger was announced as being John J. Spurgeon, all newspaperdom exclaimed:

"Now, who the dickens is John J. Spurgeon, and where the dickens is John J. Spurgeon?"

The answer, that he was on the New York World, one of its managing editors, sounded wholly informative—and told nobody anything. In New York managing editors can grow into full bloom overnight. But after a while some of the ancient Pistols of the profession—after twenty-five years in journalism you rank among the antiques—began to stir elusive memories:

"Why that sounds a whole lot like little old Jack Spurgeon, who used to do police for the Philadelphia

Press when the Mayor's office was down in Independence Hall."

Sure enough, it was; and the mystery of his sudden rise to greatness was thoroughly explained. To that group of police reporters, and their successors, anything was possible, from controlling the Borough of Brooklyn to running the biggest daily paper in the world. They were the dashing musketeers of that older day—the d'Artagnan, Athos, Porthos and Aramis of the local courts and camps. They swore eternal friendships, waged wars, formed conspiracies and fought their duels of rivalry in news getting with all the single-hearted ardor and devotion to their captains which characterized the era of Richelieu in France. It took a man to survive among that horde of ruthless, hard-bitten, wire-pulling outposts of the news, where everyone's hand was raised against another's, and all hailed, as their chief delight, the baiting of a newcomer.

It was into this daunting arena that the Press, something more than a quarter of a century ago, flung a short, slender, pale young fellow named Spurgeon, with the usual instructions—to get all the news and, by all means, or any means, to get it first. Insomuch as every other guardsman in the lot was under similar orders, and all were animated by an impulse to kill him off before he became dangerous, the position of Daniel in the lions' den makes a beatific contrast.

Well, whatever happened to other martyrs, before his time and after it, Daniel had nothing on young Spurgeon. He began with an inimitable skill in minding his own business, asking favors from nobody, and digging right into the tangled web of local politics and crime with silent disregard of all around him. For a while, the more truculent among the swashbuckling class regarded him

with lofty disdain. Then, when his paper showed where he had beaten them on the news, they decided to give him the usual medicine for beginners. But already he had made his necessary friends among the police and city officials; and, almost before the old guard realized it, they were accepting him as an equal and secretly dreading him as a superior. So he became Jack Spurgeon, right worthy member of the honorable order of police reporters, here today and gone tomorrow, as the whim of their respective city editors might dictate. In the Press office, he was valued because he never lost an hour on his job, never lost an item that was worth having, and more and more rarely turned in an item that was not. In the free masonry at Independence Hall, he became cherished because of a shrewd, chip-like humor that did not wound, yet never missed its mark. People liked him.

From the beginning, he combined, with his tenacity of purpose, his instinct for analyzing a field and his indefatigable devotion to duty, an unfailing diplomacy which left even prejudice disarmed. And, here and there, as the news shifted from day to day, he began to display a perspicacity which discerned details and angles which the average reporter industriously overlooked. The Press marked him for advancement.

Advanced he was, sufficiently to give him a rounded training in the work of the reporter at large. But there was a nagging spirit in him which demanded a varied experience, less for the sake of the variety than for the working knowledge he could acquire in his calling. He lived for some time in the Middle West, then went East again and, like countless other Philadelphia men, fixed upon New York as his ultimate field. Again, like countless others, he went from paper to paper there.

But Spurgeon was a brisk wooer and, all of fifteen

years ago, he had reached the New York World and the conclusion that Joseph Pulitzer, now dead, was the chief for him. There were those who thought he had a queer taste in chiefs, for the late Mr. Pulitzer asked many and strange gifts from his men; and those whom he liked he juggled with. But it was precisely that juggling which Spurgeon, in his chronic craving for the knowledge born of experience, longed for.

Meanwhile, the World, in its own untrammeled wisdom, played chess with him, and only after a couple of years had elapsed did Mr. Pulitzer set store upon him for that faculty of his for seeing the unusual in some episode of the news. When Spurgeon quit the Herald for the World, he took the humdrum work of editing the local news as written by the reporters. Soon he was out on the street, doing reporting himself, and doing such big news as the great Cassie Chadwick case—just where the veteran of Philadelphia police news was qualified to shine. He was called in from the street and made Night City Editor; taken from that and made Day City Editor; upraised above that, and made plain City Editor, which means the Editor over the Other City Editors; lifted up from that and made Day Managing Editor; jostled up and down there as emergency Managing Editor; switched over on the Evening World to work out some more of its salvation, and his own; switched back again to be Day Managing Editor on the Morning World—all the while analyzing that intricate field of daily journalism, all the while making friends, all the while regarding himself as a modest apprentice to the calling he had been following for nearly a quarter of a century.

When Europe's deadly tumult upset all arrangements, news conditions turned into sheer chaos. So the World sent Spurgeon over to London to help J. M. Touhy, its

chief European correspondent, straighten things out. He was there a couple of months, during which he cut down cable dispatches by thousands of dollars of needless expense.

If the Ledger's new executive editor has his work ahead of him, there can be no question but that he has ample experience behind him.

THOMAS R. PRESTON· *In handling money or handling men there seems to be one necessary attribute —tact or diplomacy. Thomas R. Preston received $0.00 a week for his first few months of work but he never lacked a supply of business tact—and of that the fact that he is now president of several banks is the proof.*

Thomas R. Preston has done practically nothing else save handle money all through his business career. During his first few years the money he handled belonged mostly to other people; the amount of his own that passed through his hands would have been spoken of by a chemist as a "trace." But at present he is able to get through the week without worrying seriously about where the money for his grocery bill is coming from. With hardly half a dozen gray hairs in his head, Preston is president and master builder of two banks—the Hamilton National, with a capital stock of $1,000,000, deposits of over $9,000,000, and total resources of $12,000,000; and of the Hamilton Trust and Savings Bank, with a capital of $250,000 and resources of over $2,000,000.

Preston was born in 1869 in Woodbury, Tennessee, a little town which still waits to hear the whistle of its first railway engine. He exhibited ability early in life by graduating from Woodbury College, a little school of academic grade, at the age of seventeen. He immediately began teaching in the country schools, which sometimes were able to keep going for six months during the winter

season. For the rest of the year he studied law in the office of an attorney at Woodbury. By Spartan frugality he was able to save about fifty dollars out of his salary each winter, all of which he had to spend during the summer.

The friend in whose office he studied was also president of the Bank of Woodbury. From him young Thomas acquired a hankering for the banker's life, and decided to give up law. There was no opening for him in the bank, but he insisted on working anyway. So, at nineteen, he entered the banking business on a salary of nothing a month. For six months he continued to receive this moderate stipend, handling at intervals every class of work usually performed around a first-class bank, from the president's job down to the janitor's. Sometimes he did them all in the course of a single day. He walked in from his father's farm, a distance of three miles, each morning, bringing his noon lunch with him; and he walked home at night.

At the end of six months he thought he knew enough about banking to go in search of a better paying job. Accordingly, he moved down to Tullahoma, a larger town some forty miles away, where he became clerk-of-all-work in a bank that was able to pay him $15.00 a month. As no young man, even in 1889, could live away from home on such a sum, he pieced out his income by working in a railroad office at night.

Another year passed, and the Woodbury weekly paper announced that "our brilliant and genial young former fellow-townsman, Tom Preston, has accepted a position with a large bank in Chattanooga." The institution in question was the South Chattanooga Savings Bank, which at that time boasted a capital stock of $10,000. Here T. R.'s remuneration was so increased that it might be

regarded as a salary. It was $8.00 a week! He now felt that he was fairly embarked upon a financial career. Looking far into the future, he imagined himself at the head of a great banking institution; and he spent an occasional evening learning to write his signature so that nobody could read it.

By rare financial ability and close attention to business he rapidly won his way. At the age of twenty-two he was made cashier of his bank. He held this position for eleven years, and assisted materially in the rapid building of the business. In 1902 the bank was reorganized as the Hamilton Trust and Savings Bank; and the first president of the new corporation was Thomas R. Preston. The capital stock of the new bank was $100,000.

Mr. Preston did not long remain contented. He yearned to handle money right up in the heart of the city, "where merchants most do congregate," and he presently began to plan an uptown bank. His ability as an organizer was quickly manifested. In 1905 the Hamilton National Bank was chartered, and was located at Seventh and Market streets, one of the busiest corners of the city. T. R. Preston was made president, and his younger brother, C. M. Preston, cashier, the same positions that they held with the Hamilton Trust and Savings Bank. Many stockholders in the old bank bought stock in the new.

Quickened by the Preston genius, the new institution soon took a place among the leading banks of the city. In 1907-8 it erected a fifteen-story building, with handsome banking rooms on the first floor. The capital stock was $250,000 at the time of its organization, and in 1911 was increased to $1,000,000.

In August, 1915, Mr. Preston showed his genius by absorbing the Citizens' National Bank, one of the oldest

banking houses in the city. Since the consolidation, the capital stock has remained at $1,000,000, but the enormous increase in deposits and total resources makes this now one of the three or four biggest and strongest banks in the South.

Preston still remains at the helm of the Hamilton Trust and Savings Bank, the institution which gave him his start in Chattanooga.

Service is Preston's hobby. "Give the customer what he wants!" is his oft-repeated instruction to his employees. "Satisfy their wants, no matter how unusual, if you possibly can!" As for out-of-town customers, the Hamilton banks will do almost anything for them—reserve hotel rooms, theater tickets or sleeper berths, match dry goods, look up passenger or freight rates, and what not.

Preston is so easily accessible to the public that his friends can never understand how he attends to his correspondence and the other necessary tasks for which ordinary men require freedom from interruption. His desk is right by the front door, with only a low railing separating him from the public, and there is almost always a line of people waiting to talk to him. The average customer would rather talk to Preston than to any other official of the bank. He can turn down a request so gracefully and courteously that the man repulsed feels almost as good as if he had secured what he wanted.

Courteous and obliging as Preston is, his affability does not extend to taking on doubtful risks. The Hamilton banks are seldom caught when there is a bankruptcy, no matter how unexpected that case may seem to most people.

Preston is a slender, delicate looking man, gentle—almost meek—in countenance. To look at him, you would hardly believe that he would have the nerve to refuse a

man the loan of one hundred dollars or so, if the man should put up a good, strong, hard luck story. Yet he can say "No!" with as much finality as if his were the voice of the biggest, beefiest, corner bully.

This quiet gentleman is a fighter, too, upon occasion—a public spirited citizen who does not hesitate to take up his weapons and lay about him when he believes that by so doing he serves the public welfare.

Many Chattanoogans recall with singular relish the banquet given some years ago by the chamber of commerce and other municipal bodies to the president of a certain railroad entering Chattanooga. The city had long been in rather acrimonious discussion with the railroad over the matter of certain encroachments which it regarded as seriously menacing the public welfare. It was decided to invite the president of the railroad to a dinner and talk things over. Many were skittish about broaching the subject to the magnate in a public speech, and the job was finally shifted onto T. R. Preston. It was expected that he would handle the subject and the distinguished guest with velvet gloves.

When his time came, he arose, and after a brief, crisp introduction, he turned full towards the great man, and in his even, unimpassioned tones, he said:

"In the matter of—" mentioning one of the leading subjects under argument—"we feel that you have meddled with an affair which did not concern you;" and thence he proceeded calmly but deftly to skin that magnate and his board of directors, and to hang their hides out to dry. Timorous hearers crouched in their seats, horrified at his temerity. Some thought his talk discourteous towards an invited guest, a man of such prominence. But T. R. Preston was there to tell that man how Chattanooga felt upon the mooted subjects, and he did so.

Preston is now just in his prime, and there is no telling what things he may yet accomplish in the world of finance. He is a good example of the fine business man who began with absolutely nothing, and has gone ahead by virtue of merit.



THE *development and upbuilding of a business is like the development and upbuilding of character—it is a slow and often painful process. Experience is the inexorable teacher—perseverance and endurance the test.*

WALTER H. COTTINGHAM,
President of the Sherwin-Williams Company